

June 1, 2021

Dear Cedar Ridge Community Members and Neighbors:

RE: Update on the Cedar Ridge Community

There's a lot going on in our community and there's been little communication from Cedar Ridge Properties LLC (CRP) and Anderson Homes LLC (AH). We want to apologize for the lack of communication, and we want to open lines of communication starting now. The intent of this letter is to inform all of you about the changes that are happening and how you may be affected. This letter will address the formation of the Homeowners Association (HOA), the proposed Cedar Ridge Phase 3 development, and the amended and restated Covenants, Conditions, and Restrictions (CC&Rs).

Homeowners Association (HOA)

Cedar Ridge Properties LLC had the task of organizing and administering the HOA until 80% of the Cedar Ridge lots contain completed and occupied residences. At the 80% threshold, CRP has 60 days to turn over the HOA to the community. The 80% threshold occurred on May 20, 2021.

There was a group of six community members that volunteered as a Transition Committee to assist with setting up the community operated HOA. This group volunteered their time for the greater good of the community. They made good progress but were held up by a lack of information from CRP. Perhaps out of frustration due to the minimal support from CRP, the Transition Committee resigned.

At that time, Brown Maloney, President of CRP, got involved to get the HOA back on track. Four of the original Transition Committee members rejoined under Brown's leadership. There are now five community members total (Tom Geer, Camille Stephens, and Litia Shappie from the Village; Steve Rodeman and Tom Stark from the Estates) who are working with Brown Maloney, as well as Rick Anderson and Caleb Anderson on setting up the community controlled HOA. The new Transition Committee will set up the HOA and hold the Turnover Meeting on or before July 19, 2021. At this time the entire community will be able to vote for whoever they want to be on the HOA Board of Directors. There will be 4-10 members on the Board and the new Board Members will select their officers. Officers will be President, Treasurer, and Secretary with additional officer positions added such as Vice President or Assistant Treasurer, if so desired. The Board will create a budget based on historical operating costs and recommendations provided in the Reserve Study that was completed in September 2020. A copy of the Reserve Study is available for review in the Cedar Ridge Clubhouse.

The interim Board of Directors has hired The Management Trust Company, a professional Homeowners Associations management company, to assist with the set up and management of our HOA. The Management Trust Company will be reaching out to all community members with more details about the HOA.

The historical operating costs for the Cedar Ridge Community are \$55,000 annually. CRP has paid all costs of the community and HOA since it acquired the property in 2013. The Reserve Study stated that the road reserve fund should be \$41,520. AH procured a bid from Lakeside Industries in April 2021 to

repair the roads in Cedar Ridge and their bid was \$59,450. Cedar Ridge Properties and Anderson Homes together intend to gift funds in the amount of \$114,450 to the new community-controlled HOA. This will cover the operating costs for a full year and can be used to pay to repair the roads immediately, if desired.

Proposed Cedar Ridge Phase 3 Development

Cedar Ridge Properties has proposed a plan to the City of Sequim for the development of Cedar Ridge Phase 3. This parcel is located at the northeast corner of the Estates where the original Jones Farm residence is located. The full proposal including other documents such as Public Comments can be viewed on the City's website at <https://www.sequimwa.gov/471/Current-Projects> (File No. SUB20-002 and File No. SUB20-003). We are still awaiting word from the City regarding the proposal and will keep you updated as we learn more.

Cedar Ridge Phase 3 is being challenged by some who have concerns about this additional development. We acknowledge these concerns, and are committed to reduce the impact as much as reasonably possible. Caleb has read all the letters written to the City, and has had one-on-one meetings with several of those opposed. CRP will continue to meet and work with those who are interested in working together. For those who sent a letter to the City, a short document with more details about the proposed Phase 3 will be sent to you. It is also available on the Cedar Ridge Website. <https://cedaridge-sequim.com/about/>

Covenants, Conditions and Restrictions (CC&Rs)

On April 14, 2021 the CC&Rs were amended and restated by CRP as the *First Amended and Restated Declaration of Covenants, Conditions and Restrictions Cedar Ridge Subdivision*. Before this, there were 7 different sets of recorded CC&Rs that were provided with the Title Report for each property. Having 7 sets was confusing, they were hard to read, and they were inconsistent with one another. The new amended and restated set replaces all 7 of the old sets in a tidy, readable format.

In addition to tidying up the old CC&Rs, CRP added a new article, Article X - Phased Development. This Article granted CRP the authority to add future phases 3, 4, and 5 to Cedar Ridge and includes the use of all roads. Phase 3 is the property on the northeast corner of the Estates at Cedar Ridge. Phase 4 is the land directly north of the Village at Cedar Ridge. Phase 5 is the 6 acres west of Keeler Road where we've been disposing of our exported dirt.

Some members of the community who want to be able to vote on adding additional phases to Cedar Ridge expressed concerns about the new Article X. CRP wants to be sensitive to our community members' concerns. On May 19, 2021 the CC&Rs were amended and restated by Cedar Ridge Properties as the *Second Amended and Restated Declaration of Covenants, Conditions and Restrictions Cedar Ridge Subdivision*. This second amendment removed the authority of CRP to add additional phases without a vote of the community. Adding future phases to the Cedar Ridge Community and HOA now requires a majority vote of the community members.

In the case that the community votes against adding Phases 3 & 4, CRP will still maintain access to use the roads. If the community votes to add Phases 3 & 4 to be a part of Cedar Ridge, each of these additional lots will pay the HOA fees to maintain the existing roads. We will also include a fee of \$150 with each lot sale that will go directly to the Cedar Ridge HOA's Road Reserve Fund. The new roads in

Phases 3 & 4 will be built to City standards and shouldn't require any maintenance for a long time. Phase 5 is unlikely to ever be developed and has been removed from the second revision of the CC&Rs.

Summary

CRP has been working to revise the CC&Rs and establish the HOA, however, we have failed to communicate with our neighbors about these actions and we apologize for that. We will continue efforts forming the HOA with the assistance of the Transition Committee for the betterment of all of us that reside in Cedar Ridge Phases 1 & 2. We are fortunate to have the 5 members that have volunteered for the HOA Transition Committee that will act as the interim Board of Directors. They are experienced and care only about setting up the HOA and getting it on good solid footing.

CRP will place a pause on the development of Cedar Ridge Phase 3 until we've had more time to meet with community members and explore possible mitigation options.

Thank you for taking the time to read this and, more importantly, for caring about our Cedar Ridge community.

Respectfully,

Brown Maloney
Cedar Ridge Properties LLC

Rick Anderson
Cedar Ridge Properties LLC/Anderson Homes LLC/Cedar Ridge Community Member and Neighbor

Caleb Anderson
Anderson Homes LLC/Cedar Ridge Community Member and Neighbor

