

Approved
November 19, 2013, as written

PINE MEADOW RANCH OWNERS ASSOCIATION
ANNUAL MEETING
SONS OF UTAH PIONEER HALL
3301 EAST 2920 SOUTH
SALT LAKE CITY, UT
NOVEMBER 13, 2012

In Attendance: Hutch Foster, President; Dan Heath, Vice President; Bob Burdette, Treasurer; Suzanne Larson, Secretary; Alan Powell (Area 3); Mark Hodgson (Area 5); Tom Deaver (Area 4); Matt Brown (Area 1), Nick Boyle (Area 7)

Ex-Officio: Jody Robinson, Ranch Manager; Carol Steedman, KGC Associates

Excused: Mike Gonzales (Area 6), Jeff Hubbard (Area 2)

Hutch Foster called the meeting to order at 7:00 p.m. and thanked everyone for attending. He introduced the Board members and reviewed the agenda items that would be discussed this evening.

Approval - 2011 Annual Meeting Minutes

MOTION: Scott Boyle, Lot PI-I-18, moved to APPROVE the Annual Minutes of November 16, 2011. Tony Tyler, Lot D-33 seconded the motion.

Tony Tyler referred to page 13 of the minutes and corrected the name Dan Kemp to correctly read **Dan Kemper**.

Mr. Foster called for a vote on the motion to approve the minutes with the corrections as noted.

VOTE: The motion passed unanimously.

PMROA

Roads

Mr. Foster noted that the CC&Rs grant the HOA all authority over roads. The roads are private, except for the roads below Oil Well Road and below the Ranch boundary on the Forest Meadow side. The private roads belong to PMROA; however, they all have a historical easement for public access. Anyone can drive on the roads and the PMROA is responsible for maintenance and repair.

CC&Rs

Mr. Foster noted that the Board monitors the CC&Rs rules and regulations, which

includes architectural, assessments, impact fees and the rules and regulations regarding the roads. If an issue is not mentioned in the CC&Rs, it is outside of the Board's purview.

Elections

Mr. Foster reported that Alan Powell (Area 3) was running for re-election unopposed. He asked Mr. Powell to briefly describe his experience on the Ranch and why he was interested in remaining on the Board.

Mr. Powell stated that he has enjoyed being a Board member and he wanted to continue being involved and guiding the direction of the Ranch. If re-elected, he would continue to do the same.

Mr. Foster noted that Tom Deaver (Area 4) was running for re-election unopposed. Mr. Deaver stated that he was on the Board because the previous administrations made some decisions which led to costly results. He wanted to move forward and continue supporting what this Board was doing.

Mr. Foster noted that Mark Hodgson (Area 5) stepped in to finish Bruce Hutchinson's term when Mr. Hutchinson had to resign from the Board. Mark Hodgson was now running for the open Area 5 seat on the Board and he was also running unopposed.

Mr. Hodgson stated that he had been a Board member approximately six years ago and Bruce Hutchinson had stepped in to complete his term when he resigned. Mr. Hodgson enjoys being involved with this Board and helping to direct what occurs on the Ranch.

Mr. Foster noted that Suzanne Larson was not running for re-election as Board Secretary. Honey Parker was a candidate for that Board position. Ms. Parker stated that she has been on the Ranch for a while and she would like to focus on keeping the website updated so members can follow what occurs on the Ranch or what was discussed in a Board meeting. Her intent is to increase communications so people can feel like they are involved, even if they do not attend the meetings.

Mr. Foster reported that he has served on the Board for seven years and he was not running for re-election. Tony Tyler was running opposed for Board President. Mr. Tyler stated that he was experienced with running and managing HOAs. He wanted to pick up where Mr. Foster left off and continue building on the progress that has been made on the Ranch. He was not interested in making waves, but he felt that more progress could be made.

Completed projects and ongoing items

Mr. Foster stated that approximately \$20,000 of asphalt work was done on Lower Forest Meadow Drive. Jody has nearly perfected laying asphalt with the grader, and with his summer helper doing the roller work, they were able to save a significant amount of money for the Association by doing the work themselves. Mr. Foster estimated that hiring an outside contractor for the same work would have been in the range of \$100,000.

Mr. Foster noted that other projects were some maintenance items that were required by Summit County. Weed control is an annual project. He stated that individuals and HOAs can be fined by the County if they do not make an effort to control the noxious weeds.

Mr. Foster outlined additional projects which included re-vegetation work from the prior year construction and mag chloride on the roads. Mr. Foster recalled from a discussion at the 2011 Annual Meeting about purchasing a tractor that Summit County was selling. Jody was able to obtain the tractor at the County Auction at a price well below its market value. They plan to add a large blower to the tractor as an alternative to bringing up large dozers on the Ranch in the winter to push back the tall snow berms along the roads. The tractor with the blower would allow Jody to push back the banks and keep the roads wider and safer.

Mr. Foster remarked that Jody had been asking for a sand structure for many years. The Association had a little extra money, and with the help of Alan Powell who came up with a very efficient design that was approved by Summit County, the sand shed was erected with the help of many volunteers on the Ranch. The cost of the sand shed was slightly over \$10,000.

Mr. Foster stated that the PMROA had an opportunity during the Water Company construction to replace a culvert they were losing at Oil Well Road in the area where a large stretch of asphalt was damaged the year before. The old culvert was dug out and replaced with a 3-foot culvert.

Mr. Foster noted that a number of signs were replaced throughout the Ranch. In addition to the projects mentioned, Jody also continued doing the routine maintenance on the Ranch.

Robert Ecchevaria, Lot D-76, asked about the rock wall at the bottom of the slope. Mr. Foster explained that Jody and the Water Company placed the rocks in an effort to deter four-wheelers from abusing the upper piece of land. He noted that four-wheelers

in this climate can do a tremendous amount of damage on private property. Mr. Foster noted that the upper piece belongs to the Association and he envisioned it as a place for all the Ranch owners to enjoy and not just a few people on four-wheelers.

A member asked about the road that leads from the upper lots to the main road. Mr. Foster stated that it was never intended to be a road. It became a road when people started using it as a storage yard. There are other ways to access that property through proper roads; therefore, five years ago he asked Jody to till it and seed it and close it off.

Alan Jones asked about the status of the Tollgate well. Mr. Foster explained that it was referred to as the Lower Tollgate well. He noted that the Water Company pulled a water line up to Oil Well Road and tied it into the Tollgate well proper. Once they finish building the well house and setting the pump, that water supply would be available this coming year.

A member asked about the winter parking lot. Mr. Foster explained that the parking lot was used as temporary storage for materials from projects this year. It would be bladed out and used for parking again.

A member asked for an update on the Special Service District. Mr. Foster stated that the Special Service District was a dead issue. The Summit County Manager has said that although most of the delays were on the part of the County side, the vague, undefined period of validity for the petition had expired. He also said that if it reached the County Council level they would probably oppose it. Mr. Foster suggested that they could discuss the Special Service District later in the meeting.

Deer Meadows LLC

Mr. Foster stated that one owner of the Ranch also owns several parcels to the north of the Ranch, which is off of Pine Meadow Drive. Since 2005 he has been looking for ways to redevelop that land into what was considered a minor subdivision. In 2007 the Owner Association came to a binding legal agreement with Deer Meadows LLC, that the Homeowners Association would not actively oppose the proposal to divide the parcel into six or seven lots, based on the those lots joining the Owners Association and paying all the dues and fees. Another condition was that Deer Meadows would be responsible for their own infrastructure. Mr. Foster stated that Deer Meadows intended to transfer density from six lots within Pine Meadow Ranch in order to create the building permits within Deer Meadows LLC. The sitting Board in 2007 decided that they could accept that tradeoff, and while they did not want to promote the project, the Board was willing to sit silent if all of the conditions were met.

Mr. Foster remarked that the Agreement clearly noted that individual owners within Pine Meadow Ranch were welcome to express their own opinions to the Planning Commission.

Mr. Foster stated that in 2011 Deer Meadows revised their plan and submitted a Specially Planned Area (SPA), proposal for 26 homes. As a SPA, Deer Meadows was required to show Summit County that there was a community benefit that would make it worthwhile to allow tighter zoning in an area that was zoned 1 unit per 100 acres. Mr. Foster stated that the Owners Association sent a letter to Summit County strongly opposing a high density subdivision that was above and beyond the agreement from 2007. There was a lot of back and forth between the County and the Developer. Several Pine Meadow Ranch owners attended the Planning Commission meetings to speak on behalf of the Owners Association to ensure that the Planning Commission understood the Board's position.

Mr. Foster reported that recently Deer Meadows LLC rewrote the proposal again. The current version is a broad brush outline of a proposal and it was posted on the Pine Meadow Website. It is not a legal agreement. Mr. Foster noted that the new proposal consists of six homes, which was the number of units proposed in 2007. It speaks of a private development agreement that would effectively create a private version of a TDR (Transfer of Development Rights). Mr. Foster pointed out that a TDR is not a legal Summit County process at this time. It cannot be done in the planning process but can be done in a private development agreement. Mr. Foster summarized that the current proposal proposes six lots, a version of a TDR, joining the Owners Association and paying dues and fees, and handling all of their own infrastructure and maintenance at no cost to Pine Meadow Ranch.

Mr. Foster stated that the last correspondence he had sent to Adrian Slaught, the Summit County project planner, said that currently the Pine Meadow Ranch Owners Association stands opposed to any development that would subdivide properties behind the Ranch, with the possibility that if they were to see a binding legal agreement that matched the one from 2007, the Board would likely vote to take the same position they took in 2007, which was simply to not oppose. Mr. Foster remarked that currently the Board had not seen a binding legal agreement and; therefore, they would oppose any subdivision of land behind the Ranch that uses Pine Meadow roads for access. Mr. Foster stated that the Board was waiting to see what Deer Meadows LLC intends to do.

Cheryl Groot, Lot E-70 had questions regarding the proposal on the website. She commented on the reference to density credits within Tollgate. She generally believed it was a good idea; however, in the August HOA meeting they discussed requiring all

density credits to come from Pine Meadow/Forest Meadow. Mr. Foster recalled that after the developer, Doug McAllister, left the meeting, the Board discussed that as a preference. He reiterated that they have not yet seen a legal agreement.

Ms. Groot asked if the density credits already paid for in the 2007 Agreement would be honored. She noted that they also discussed the need for the lots to be buildable lots, but she did not see that reflected in the proposal. Ms. Groot asked if she sold her density credit to the developer, would she still be able to pull her trailer up and use her water.

Ms. Groot noted that Deer Meadows would join the Pine Meadow HOA and pay all fees and conform to the development standards. She read, "No net gain if building rights are exchanged". She stated that if this project is eventually approved by Summit County at least they would have to pay something for using Ranch roads. Ms. Groot commented on the private real estate transfer fee and noted that every time property exchanges hands there would be a private real estate transfer fee to come to the Association. She wanted to know the dollar amount of the fee and whether it would be a sufficient amount to be beneficial. Mr. Foster recalled that the fee was a percentage of the sale of the real estate. Ms. Groot thought that should be clarified and written.

Ms. Groot asked if the past fees owed by Deer Meadows have been paid, as discussed in the October HOA meeting. Mr. Foster asked if Deer Meadows had been billed. Carol replied that a bill was sent but it still had not been paid. Ms. Groot asked about water. She noted that they were informed that the Deer Meadows Development would have to supply their own water system. However, their well developments have not netted any water. She asked if Deer Meadows would not expect to become a part of the Pine Meadow water system.

Ms. Groot asked if the water would transfer with the density transfer credit. She noted that the Pine Meadow Water Board has a favorable view of the Deer Meadows project and was not opposed to providing water. Mr. Foster disagreed. Bill Groot stated that he had attended the Water Company meeting and he believed they could be swayed at \$22,000 per lot. Mr. Foster remarked that suggesting that the Water Company might be swayed for money was not the same as saying they were in favor of the project.

Ms. Groot stated that in the August HOA meeting they were promised a mailing by Mr. McAllister to all Pine Meadow/Forest Meadow landowners to better inform all interested parties. She was grateful that information was posted on the Ranch website, but they were promised a mailing. Ms. Groot clarified that she personally did not think it was a bad proposal and it would set a precedent that would help with future development. However, everything needed to be specifically written out before she could feel

comfortable. Mr. Foster reiterated his earlier comment that until the Board sees an agreement written by a lawyer and reviewed by a lawyer representing the Ranch, and the Ranch's lawyer confirms that the agreement matches or is more beneficial than the 2007 agreement, only then would the Board vote on whether to take a stance on this proposal. The default stance was to oppose it until they see the proper agreement. Mr. Foster reiterated that individual homeowners could submit their opinions to Summit County for consideration. He requested that they comment as individual owners and not on behalf of the Owners Association.

A member asked about the Cook Development. Mr. Foster stated that he knew nothing about the Cook property other than the rumors related to the infrastructure.

It was noted that Adrian Slaughter was no longer with Summit County. Mr. Foster was unaware that Adrian had left and he would follow up with Kimber to make sure she had the last communication he had sent to Adrian.

Dan Chard, Lot C-70, asked if Summit County could legally allow Deer Meadows to develop regardless of what the Ranch wanted. Mr. Foster replied that the County has the authority to approve the development. Mr. Foster pointed out that the Staff recommendations have been against the project, but he could not speak to what Summit County might do. He believed approval was an unlikely outcome but not impossible.

Mr. Burdette explained that the previous agreement says that the new lots within Deer Meadows would join the Owner Association, which makes them subject to the Ranch CC&Rs, impact fees and annual dues. Therefore, if the development was approved by Summit County against the Board's will, the lots would still become part of the Owners Association. Mr. Foster clarified that Pine Meadow Ranch signed an agreement with Deer Meadows LLC in 2007 that bound them to the Owners Association.

Bobcat Springs Improvements

Mr. Foster assumed that all the members had received a card regarding a project for Bobcat Springs. Mr. Foster stated that for several years Tom LeCheminant and a few private donors have spent approximately \$500 per year to purchase farm raised trout and have them delivered to the pond at Bobcat Springs so the Ranch owners and their families could spend time fishing in Bobcat Springs. He noted that Tom LeCheminant and Dan Kemper have been working on ways improve the Bobcat Springs area and make it a more pleasant space to recreate. Again, with the help of private donors, they plan to expand the pond, clean-up the area and plant trees and additional vegetation. Mr. Foster noted that a card was sent to each Association member asking if they were

in favor of the project and where they could send donations. The response rate was low and Mr. LeCheminant recalled that the vote was 51-35 in favor of improving Bobcat Spring. Mr. Foster noted that Mr. LeCheminant presented his plan to the Board, and in a straw poll the Board generally favored improving Bobcat Springs. Mr. LeCheminant later submitted more specific drawings and details of the project; as well as efforts to gain the support of the adjacent property owner who would be most affected.

Mr. Foster stated that for as far back as people could recall, it was always assumed that the Bobcat Springs property belonged to the Water Company. It was the Water Company who sent the card to the property owners. It did not come from the Owners Association. Mr. Foster noted that he spent time researching Summit County records and found that the property belongs to the Owners Association and not the Water Company. It is the only parcel on the Ranch that is officially designated common area. As common area, the property taxes in total contribute to paying the taxes on that land. It does not have its own parcel ID and it is not a separate piece of land. It is Pine Meadow Ranch Owners Association common area.

Mr. Foster stated that he asked Mr. LeCheminant and Mr. Kemper to stall on the project to allow the members the opportunity to decide what they would like to do with their common property, and whether they would like to move forward with Mr. LeCheminant's plan. Mr. Foster asked for a brief discussion from the owners on what direction they should take with the Bobcat Springs project.

Mr. LeCheminant provided a handout and explained his vision for Bobcat Springs. He had received \$3,850 in donations and another \$400 was pledged but not yet contributed. Mr. Foster clarified that the original proposal was to build a new dam, adding water and ultimately destroying the old dam. He understood that the current proposal was to clean out the uphill edge of the pond. Mr. LeCheminant replied that they would clean out what they could and move the easterly side with the berm into the pond area. They realized that making the pond larger would be more work than what was originally anticipated, but they would still like to do it. Mr. LeCheminant envisioned a picnic area for families. He asked for input from the homeowners on what they would like to see added.

Mr. Foster remarked that the intent this evening was to discuss ideas. It was not the forum to approve the project. His goal was for the members in attendance to decide where or not to allow the Board to move forward on improvements as the overseeing body of the Association.

Honey Parker asked if the project would be paid for with the private money Mr. LeCheminant had collected. Mr. LeCheminant answered yes. Mr. Foster stated that

the Board would have to find out whether it was legally appropriate to use money from assessments for this type of project. Currently the project was being funded by private contributions. Ms. Parker commended Mr. LeCheminant for doing this for the owners.

A member thought it was important to improve on what they have; however, he felt they needed to be careful not to improve it to the point where the State or County would require a bathroom for men and women or other amenities and requirements. He favored private donations and he would be personally willing to donate as well long as the project did not get out of hand. Mr. Foster did not believe they had the ability to put in structures given the size of the site. The member stated that he owns property in St. George and they started a small improvement project with a pond and the City of Washington stepped in with a number of requirements. He would not favor a special assessment to improve the property if the County stepped in. Mr. Foster suggested that his question be addressed with Summit County directly to find out what improvements could be made.

Dan Kemper stated that the pond already exists and they have all the liabilities associated with it. He assumed the \$4,000 they have in contributions would allow them to enlarge the existing area a little bit and dig it out and increase the amount of fish for the pond. Mr. LeCheminant noted that they have also agreed to plant some trees between the pond and the neighbors.

Mr. Foster suggested that there be a fence that would leave the Water Company's chlorinating facility and cross over to the trees on the other side that had pedestrian openings that would not allow four-wheelers on the berm around the pond. Mr. LeCheminant stated that they anticipated putting in large rocks for that purpose.

Tony Tyler, Lot D-33, preferred to see a long term plan. They could potentially have another \$4,000 contributed next year when people start using the pond. Little things like benches and picnic tables around the pond would add to the enjoyment and encourage people to use the common area. He appreciated the comments, particularly regarding restroom facilities, but he did not believe it would get out of control because the area is too small.

Kathleen Phillips, Lot D-79, was concerned that making the pond bigger and nicer would attract people outside of the HOA. She asked if the pond as it exists was not viable. Mr. LeCheminant replied that the existing pond is 5 feet deep and holds approximately 100 fish. It is borderline for fish to survive the winter. Mr. LeCheminant stated that he monitors the property all the time asking people about their lot or where they have property on the Ranch. He thought that might deter outsiders from trying to use the pond. In terms of the rental property on the Ranch, he was not opposed to the

renters using the pond as long as the homeowner and/or the renter contributed money to help supply the fish.

A member understood that fish need at least 8 feet of water to survive the winter. Mr. Foster replied that part of the proposal is to expand the pond and make it deeper so there would be more water and oxygen for the fish to survive over multiple seasons.

Mr. Foster asked for a straw poll to get a sense of how many in attendance generally favored or opposed a continued discussion regarding improvements to the Bobcat Springs common area. By show of hands, all but four people supported at least considering the proposal.

Mr. Foster clarified that they were not prepared to formally review the plans or approve the project this evening because the total cost was still unknown and the budget and landscaping plans had not been finalized. He requested that the members authorize the Board to oversee whether the project is possible, and if so, to move forward if the Board determined that the project was appropriate.

Scott Clausen, Lot C-63, asked if Mr. Foster was still talking about doing the projects within the scope of the private donations. Mr. Foster replied that he was asking for Board oversight within the donations received. Spending Ranch money would be a different vote. Before Ranch money could be used they would legally need to make sure it was an eligible expense, and it would require a formal vote by the members and not a straw poll.

MOTION: Dan Kemper, Lot PI-D-19, made a motion that the Board work with Tom LeCheminant to come up with a plan and a feasibility study that would include making the pond deep enough for the fish to survive the winter. Ken Whitney, Lot F-34 seconded the motion.

Mr. Foster clarified that the motion was to authorize the Board on private donations to review the feasibility and move forward on these improvements if it seems appropriate.

VOTE: The motion passed by the majority. No one opposed. A few members abstained.

Parking

Mr. Foster commented on parking questions that were raised over the past year. He explained that for decades, parking on Ranch roads has been prohibited and that is made clear in signage throughout the Ranch. Mr. Foster stated that it was brought to

his attention by people who park on the roads, that the language of the Rules and Regulations was not entirely clear. Mr. Foster believed the language was sufficient; however, the Board wanted to update the language for clarity so it could not be misconstrued.

Mr. Foster presented a slide of the current language with parts that were stricken and proposed new language added to the Rules and Regulations. Mr. Foster clarified that the revisions were approved by the Board. It was not a change in policy, only a change in language, and he requested a vote by the members.

Mr. Groot asked about emergency conditions. He noted that there used to be a policy to call the Ranch manager if a vehicle broke down to get a special privilege. He asked if there was a current policy. Mr. Foster stated that the vehicle should have a Pine Meadow Ranch sticker so Jody or the Area Rep could identify that it belongs to an owner. They would then contact Carol and ask her to contact the owner to find out why the vehicle was left on the road. Mr. Foster stated that in situations of an obvious break down on the Ranch, the policy is to allow people time to take care of the broken down vehicle. A break down is considered an emergency condition. However, if the vehicle is left for several days and is creating a hazard or impeding traffic, Jody or the Board could choose to have it towed.

Tom Deaver thought the language should also clarify that parking is not allowed at the end of the plow routes where the snow is piled up. Mr. Foster thought Mr. Deaver raised a good point; however the vote this evening would be on the proposed language presented this evening. The Board could revise language to address Mr. Deaver's concern at a monthly Board meeting.

MOTION: Tom Deaver made a motion to APPROVE the changes to the Rules and Regulations as reflected in the revised language. Dan Kemper seconded the motion.

VOTE: The motion passed unanimously.

Plowing

Mr. Foster planned to have a current map posted this year. He noted that the rules had not changes over the past few years. He reminded the members that anyone who has plans to plow a road or to contract someone to plow a road must have a signed agreement submitted to Carol. A new agreement must be provided each year so the Board knows that everyone understood the rules. The plower must have an insurance policy that protects the Pine Meadow Ranch Owners Association, and if the plower does not participate in PMEEF or FMEEF group policy, they must provide proof of insurance.

Anyone without a signed agreement or proof of insurance would be heavily fined and the fines would increase with each offense. The form was on the website and updated for this year.

Mr. Foster stated that Carol has a list of the plowers insured with PMEEF or FMEEF. She would also have the name of the individually insured plowers that had submitted the agreement and proof of insurance.

The suggestion was made to ask the people plowing to identify who they were plowing with. Mr. Foster would support having a sticker or hang tag on the plows to indicate that the plower was in the system. That would be a good discussion for the Board.

Mr. Deaver pointed out that the plowers still had to follow specific standards beyond signing the agreement and having insurance. Mr. Foster clarified that the annual plowing agreement is a contract. Signing the agreement indicates that the plower understands the plowing rules of the Ranch and agrees to abide by them. Mr. Foster stated that because the Owners Association legally owns the rights to the roads, the Association has the right and the responsibility to set standards for plowing.

Lower Tollgate Canyon Road

A member asked for an update regarding asphalt on the Forest Meadows side and the donor who was willing to contribute to the project. Mr. Foster explained that a donor was willing to match funds for an asphalt project on Lower Tollgate, but he backed out of his offer at the last minute after the Board had designated Association funds. He clarified that the donor was out of town and it was an inconvenient time for him to decide if he wanted to invest in the type of asphalt the Board was offering. It was not malicious and the donor could possibly make the offer again at a later time. Mr. Foster remarked that the donor had expressed a preference for machine laid asphalt, and that method was cost prohibitive for the Association to match funds.

Financials

Bob Burdette presented the proposed budget for 2013 and outlined the accomplishments from the 2012 budget.

In 2012 they added aggregates to improve roads. They continued to plow the connector between Pine Meadow and Forest Meadow Ranch. They purchased a tractor, a snow blower, built a sand shed and paid all the operating bills. Mr. Burdette noted that everything they accomplished was paid for without going into debt. Mr. Burdette stated that he would continue to operate the finances the same way for as long

as he is Treasurer of the Association.

Mr. Burdette commented on the benefit of having Ranch owned equipment. Jody can haul small loads of aggregate to do small jobs. Aggregates can be laid and compacted in place and asphalt can be laid and spread. Roads can be plowed in the winter with both the road grader and the dump truck, and the roads can be sanded.

Mr. Burdette stated that in 2012 the Association saved money by not having to contract out to have the roads sanded. They saved money by not having to rent a roller to deploy the mag water or any aggregate work. Jody was able to haul small loads of aggregate for small jobs instead of paying an outside company to haul it in. No equipment had to be rented, which saved money on equipment rental.

Mr. Burdette showed a photo of the new tractor that was purchased from Summit County. The tractor came up for bid and the Board approved Jody to bid \$10,000 and it was the top bid. Mr. Burdette believed they had acquired a good piece of equipment for a good price. Mr. Burdette reported that the Association also purchased a snow plower for the tractor so when banks of snow need to be moved back further, Jody can do it without having to rent a special piece of equipment.

Mr. Burdette had a photo of the new sand shed. He noted that the project was completed in a week due to the talents and hard work of Board members and Jody.

Mr. Burdette stated that the good mountain roads are achieved by bar ditching to keep the water off the roads, installing culverts in critical drainage areas, good base materials to stabilize the mud on the Ranch, compacting road base, and driving slow. Mr. Burdette remarked that there was not a consensus for the meaning of quality of roads on the Mountain. There were differences of opinion among the Board members, which he believed represented the different opinions among the owners as to the quality of roads they all want. Mr. Burdette encouraged the members to contact their area representative if they have ideas on how to improve the Ranch. The area rep can then bring their ideas to the monthly Board meeting for discussion and consideration.

Mr. Burdette reviewed the budget for 2013. He noted that the budget is their best guess for anticipating what might occur throughout the year. Comparing this year from last, Mr. Burdette noted that a higher amount of assessments were received from owners in 2012 due to a budget increase that the members approved last year. Contributions from the LDS Stakes remained the same. The budgeted impact fees were estimated because there was no way of knowing how many owners intend to build.

Mr. Burdette noted that expenses are broken into two groups. The Fixed Expenses are

typical and usual expenses. They have an idea of the amount and when the expense is due. Mr. Burdette reviewed the fixed expenses. He pointed out that the property tax expense was for property taxes paid on the 11 lots owned by the Owners Association.

Mr. LeCheminant asked for the acreage of the 11 lots. Mr. Burdette recalled that the large lot was approximately 40 acres and the smallest lot was three-quarters of an acre. He noted that the lots were scattered throughout the Ranch. Since his time on the Ranch only one lot has been sold, and that was several years ago when the Association purchased the road grader.

Mr. Burdette reported that Variable Expenses vary significantly in dollar amounts. The largest expense was the deployment of mag water on the roads with a budgeted amount of \$14,000. The aggregate purchases and hauling were budgeted at \$30,000. The budget for asphalt was \$35,000.

Mr. Burdette explained that snow plowing the connector between Pine Meadow and Forest Meadow was left as a blank line item on the budget because no one had submitted a proposal to the Board to plow the connector. The item was included on the budget so the owners were aware of the situation and it could be discussed. Mr. Burdette assumed the feelings were mixed because some definitely wanted the connector plowed and others could not see a need for it.

Honey Parker, a resident on the Forest Meadow side, stated that safety was the initial reason for asking to have the connector plowed, so there would be another option to get off the Mountain in the winter besides Tollgate. Ms. Parker thought a number of people who originally helped propose the plowing did not realize that it was a one-time benefit. However, she recalled that the Board authorized it on a trial basis to see how it worked and whether they would want to keep it going. Ms. Parker spoke on behalf of several people on the Forest Meadow side in requesting that they keep the connector open.

A member asked if there was a cost associated to keep the connector plowed. Mr. Burdette stated that last year was a light winter and the cost was slightly under \$3,000. The Board has budgeted as much as \$6,500 in the past. Ms. Parker recalled that when the Forest Meadow owners originally made the proposal it was right after an extremely bad winter. They knew how much it cost to keep it open at that time and they approached the Board with a worst case scenario cost.

Mr. Burdette explained that in the past the person who did the work submitted a cost proposal to the Board. The Board approved paying an hourly rate up to a maximum amount, with the understanding that if the maximum was hit before the winter was over, there would not be additional funds. Mr. Burdette reiterated that no one had submitted

a proposal to plow the connector again. He was unsure if there was a piece of equipment left on the Mountain or someone willing to do the work.

A member asked if the Board had looked into the cost of having the Owners Association plow the connector versus an outside contract. Mr. Burdette stated that Jody was already overworked and they had not looked at adding that additional burden. Mr. Burdette explained that the plowed route starts at the gravel pit and goes east along Arapaho, over to Valley View and up Valley View to Grand View Lane, and across Grand View to Forest Meadow and down over to Bull Moose Drive.

Alan Powell noted that the previous plower was under the impression that the HOA would plow the connector since they purchased the tractor. He suggested that Ms. Parker follow up with Sam Scaling to let him know that the job was still available.

A member proposed that the Board continue to plow the connector and keep the cap on the maximum amount. He could support it because safety was a valid concern, but it should not significantly affect the budget. Mr. Burdette replied that the Board was inclined to place a cap to control the expense.

MOTION: Tony Tyler, Lot D-33, moved to APPROVE the budget as presented. Tom LeCheminant, Lot D-29, seconded the motion.

VOTE: The motion passed unanimously.

Mr. Burdette reviewed the budget goals for 2013. They would continue to deploy aggregates on the worst roads. Asphalt would be repaired on the access roads. They would continue to mag water where appropriate to hold down the dust.

Cheryl Groot asked if aggregate could be smaller than 3" minus. Mr. Burdette stated that it could be smaller; however, the reason for using 3" minus is to stabilize the ground. Once the ground is stabilized, they could use a smaller granular material over the top of it. Another member pointed out that anything smaller than 3" minus sticks in the tire tread and gets transported off the Ranch.

Mr. Burdette noted that a change in Utah Law requires the Board to disclose the deferred liability. That is where they look at the cost of the assets, the replacement cost of the assets, and then estimate the deferred liability. Mr. Burdette explained that a liability is something owed. A deferred liability is something that is not owed yet, but it is an indicator of some type of future payment. Mr. Burdette referred to the second page of the deferred liability report and noted that the Board discussed whether or not they need to be worried about the asphalt they deployed on the Mountain because it is not

on Ranch land. Once the asphalt is laid the Association has no right to it. In terms of replacement cost for the asphalt and culverts outside the Ranch, the Association has no legal liability to replace it.

Mr. Burdette commented on the estimated cost for purchasing and installing culverts inside the Ranch, as well as an estimate of the deferred liability to replace the culverts as each one wears out. He used the road grader and the dump truck as other examples of deferred liability. Mr. Burdette disclosed that the total amount of deferred liability for all the assets combined was approximately \$162,000. He noted that the members could expect the Board to disclose the deferred liability report annually, and the numbers would continue to grow.

Mr. Burdette outlined the long term budget goals. One goal is to build a cash reserve to replace equipment as it wears out without having to ask the owners to contribute additional funds. Another goal is to eventually build a facility to house the Ranch equipment to keep it out of the weather.

Mr. Burdette recalled that the assessments were increased \$50 per lot last year. He Burdette explained that the \$50 per lot resulted in a 25% increase for landowners, a 20% increase for part-time owners, and a 17% increase for full-time residents. The percentages were disproportionate to the amount of use of the road. Mr. Burdette submitted a proposal from the Board that would roll back the \$50 increase on all lots and apply a 20% increase equally to all lots. He provided examples to show that under this proposal a landowner only would pay \$240 in assessments per year, a part-time resident would pay \$300 in assessments per year, and a full-time resident would pay \$420 in assessments per year. Mr. Burdette recognized that it was a small difference from what they were currently paying, but the Board felt that the 20% increase was more fairly allocated.

MOTION: Mr. Burdette made a motion that the annual assessments for 2013 roll back the \$50 increase from 2012 and apply a 20% increase making the assessment for landowners at \$240, part-time residents at \$300 and full-time residents at \$420. Hutch Foster seconded the motion.

Mr. Burdette called for discussion on the motion.

Ms. Parker asked if the proposed assessments would raise or lower the amount paid for 2012. Mr. Burdette replied that it would increase the amount for full-time residents by \$20 per year, lower the amount for landowners by \$10 per year, and keep the amount for part-time residents the same. Mr. Foster explained that prior to last year, the assessment for a full-time resident was \$350 and that was increased to \$400 in 2012.

The assessment would be rolled back to \$350 and increased by 20% for a new assessment of \$420. He clarified that the proposal was a 20% increase on the assessments from 2010.

The owner of E-25 recalled that the purpose of the increase last year was to allow for more road repairs to make the roads safer. She asked if that was the same \$50 increase they were rolling back. Mr. Burdette explained that last year a proposal was made by the owners to increase the assessment on every lot by \$50 per year. At the time, there was no designation as to where the funds would be spent. He recalled a discussion about paving Tollgate Canyon and the Board had said that the \$40,000 increase would not have been enough to pave Tollgate Canyon.

Ms. Richardson, Lot E-25, had attended the Annual Meeting last year and she remembered a discussion about safer roads. Mr. Foster agreed that road safety was discussed at the Annual Meeting. The owner asked if the improvements discussed last year would be made to address the safety issues. Mr. Powell noted that asphalt was put on Forest Meadow Road and aggregate was laid throughout the Ranch. Mr. Burdette asked the owner to clarify what she meant by safety issues. Ms. Richardson recalled talking about specific accidents that occurred in a very bad spots where people were sliding off. Mr. Burdette asked the owner what she would suggest to make the roads safer. She suggested guardrails to keep cars from sliding off the road. Mr. Burdette remarked that guardrails were not proposed last year and none were installed. He explained that guardrails become a problem when pushing snow in the winter. Ms. Richardson thought the members last year understood that the Board intended to look into safety measures. Mr. Burdette asked if putting aggregates on the roads was considered a safety measure. Mr. Burdette further explained that deploying aggregate on the roads was an attempt to make the roads safer. He questioned whether the asphalt on Forest Meadow Road would be considered a safety measure because it allows people to drive 40 miles per hour instead of 10 miles per hour.

A member noted that under the proposal the full-time residents would still be paying the most. Very few HOAs allocate the amount of the assessment based on how much they use their property and he questioned why owners on the Ranch were paying separate rates. Mr. Burdette replied that they pay different rates because previous Boards made the decision and it was proposed to the owners and voted on.

A member favored the 20% increase for everyone as a fair proposal. However, he wanted to know if the 20% proposal would allow enough funds to contribute to the 20% cash reserve fund. Mr. Burdette replied that the Board has been contributing to the capital reserve fund for several years and they would be able to continue to do so. He reported that the Ranch currently has two reserve funds. One is a \$70,000 emergency

reserve fund. In addition, the Ranch has a \$100,000 cash reserve fund for equipment replacement. The member thanked Mr. Burdette and the Board for their stewardship and foresight.

Gayle White, Lot D-57, stated that she had recently purchased her property when an increase in dues was voted on and approved at the last Annual Meeting. She was concerned because she had just bought on the Ranch and her dues were already being increased. She believed the 20% across the Board was a fair approach and she thanked the Board for doing a great job.

Mr. Burdette called for a vote on the motion for the annual assessments for 2013 to roll back the \$50 increase from 2012 and apply a 20% increase, making the assessment for landowners at \$240, part-time residents at \$300 and full-time residents at \$420.

VOTE: The motion passed. Two members voted against the motion.

A member questioned the validity of the vote because lot owners who are not current on their assessments are not eligible to vote. Mr. Foster noted that Carol has an attendance list and she would be able to confirm that those in attendance were in good standing when they voted. Mr. Burdette stated that the majority overwhelmingly voted in favor. If the vote had been close, they would count the eligible votes this evening. The member favored the proposal, but he recalled a problem last year in how the vote was handled. He did not want that problem to occur again. Mr. Foster replied that it was a fair observation. The Board was not accustomed to being in a situation where they had to be that careful. For a number of years they have managed to have most things close to consensus and they were caught off-guard last year.

A member thought the reserve fund was excellent and he asked if the Board could disclose the reserve fund on their financials. Mr. Burdette noted that the financials for 2009 November through 2012 were posted on the website. He would put the balance sheet on the website showing the reserve funds, the current cash balance, the equipment, and the 11 lots owned by the Owners Association listed at \$1 each. Mr. Burdette noted that the Association did not pay for those lots. They were turned over to the Owners Association when the dissolution of the old Special Service District took place in 1999.

Mr. Burdette reported that oftentimes owners complain about having to pay an impact fee because they do not believe they get anything in return for the impact fee. He noted that the impact fee is charged to anyone who builds on the Ranch. The impact fee is \$5,000 for building the primary dwelling on the property. The impact fee for an addition to the property is \$2.00 per square foot. Mr. Burdette stated that the impact fee helps to

purchase the equipment for the Ranch, and for continued road improvements.

Open Forum

Mr. Foster presented a camera test shot of the location of the Tollgate snow stake that was linked on the first page of the website. It is a four foot tall stake marked at 1, 2 and 3. Once the storm breaks he will clean it out and reset the camera for the next storm. Mr. Foster stated that the link will also provide the last three days of data, hour by hour.

Mr. Foster thanked the members for attending this evening. He also thanked everyone for allowing him to serve on the Board for seven years.

Peter Tillman, Lot FM-83, asked what the new tractor would be used for. Mr. Foster stated that before the tractor Jody did not have a way to load the sand and he had to borrow equipment from the Water Company. Having the tractor would also avoid having to contract Geary Construction or another company to bring up a dozer during bad winters. When the Tollgate road narrows to a single lane, Jody would be able use the tractor to open the road to two lanes. Mr. Tillman asked if there were plans to use the tractor on the Forest Meadow side. Mr. Foster stated that if there was an opportunity in a high pressure period where someone needed help, Jody would have the discretion to help out if he could fit it into schedule.

A member asked if the sand was available to be used on the Forest Meadow side. Mr. Foster understood that Jody already uses the sand truck on Lower Forest Meadow where there is asphalt. Someone asked if the sand pile was available for homeowners who do private sanding projects. Mr. Foster explained that Jody stockpiles enough sand for the amount of sanding he already does on the Ranch. He thought the Board could look at the capacity of the shed and whether they could provide sand to owners for other private use. However, without knowing what they have for resources this year, the answer was no for this year. Mr. Foster clarified that Jody would sand Tollgate Canyon and lower Forest Meadow Drive. Sand is not available to any private plowers on either the Forest Meadow or Pine Meadow sides.

A member asked if it would be possible to get someone authorized and approved to use the tractor on the Forest Meadow side since the Association does not have the money to employ another person. Mr. Foster stated that the insurance liability would not allow other operators on the equipment.

An owner on Forest Meadow stated that she does not drive on Tollgate Road and she felt that those living on the Forest Meadow side in the winter would not get the benefit of the tractor use and road maintenance. Mr. Foster stated that all the owners pay into a

combined fund for holistic road maintenance. Over the last 20 years the Board and the members have made decisions on area traffic density, construction access routes, and where winter parking is available. Those decisions were reflected in where the Ranch stands today, but it may be different in ten years.

Mr. Foster stated that in order to drive progress on the Ranch and make improvements, the issues need to be considered in a forum where the Board could actually review proposals. He explained that when a group of owners at Forest Meadow had concerns regarding safety and plowing the connector, they submitted a reasonable proposal to the Board and attended a Board meeting to make their case. After reviewing the proposal the Board agreed that there was a safety advantage to plowing the connector and they allocated funds to do so. Mr. Foster encouraged anyone with an issue or an idea to follow the same procedure. The Board is always open to hearing new ideas and discussing whether or not it is a workable proposal.

There were no other comments or questions.

The annual meeting of the Pine Meadow Ranch Owners Association adjourned at 9:15 p.m.
