

PINE MEADOW RANCH OWNERS ASSOCIATION
ANNUAL MEETING
PARK CITY ACADEMY
3120 PINE BROOK ROAD
PARK CITY, UTAH
NOVEMBER 12, 2008

In Attendance: Hutch Foster, President; Dan Heath, Vice President; Bob Burdette, Treasurer; Scot Erickson (Area 1), George Ramjoue (Area 3), Jen Kanzler (Area 4), Duane Yamashiro (Area 6)

Ex-Officio: Jody Robinson, Ranch Manager; Carol Steedman, KGC Associates, Amy Jackson (Candidate, Area 7)

Excused: Suzanne Larsen, Secretary, Scott Clausen (Area 2), Bruce Hutchinson (Area 5), Bob Warnock (Area 7)

Hutch Foster called the meeting to order at 6:30 p.m.

Board Member Introduction

Mr. Foster introduced the Board members and identified the areas they represent. He noted that Bob Warnock was selling his property and stepping down from the Board. Mr. Foster remarked that Area 7 and Area 1 were up for election, as well as the Vice-President position. He noted that members would be receiving ballots in the mail within the next two days. There are three names on the ballots and unless there is a major write-in campaign, those positions have been decided.

Mr. Foster asked all members to sign the attendance roster with their name and lot number.

Scot Erickson, the candidate for Area 1, stated that he has been on the Ranch for nine or ten years and he has been the Area 1 representative since the last term. Before that he was on the Board as the secretary. He has seen the Ranch grow considerably and he was glad to see the members who attended and their interest in the Ranch.

Mr. Foster welcomed Amy Jackson and introduced her as the candidate for Area 7. Dan Heath was the candidate for Vice-President. Mr. Heath stated that he has been involved with the Ranch since he first purchased property and was pleased with how they are dealing with problems on the Ranch. It is more pro-active than in the past and they are looking forward to the future.

Ranch Projects and Updates

Mr. Foster provided an update on what the Board has been doing for the past year. He stated that the best thing they did was hire Jody Robinson as the Ranch Manager. Mr. Foster was sure that everyone had noticed the difference in the quality of the road and maintenance in the Ranch. He noted that Mr. Robinson had 20 years of equipment operating experience with Geary

Construction and he was the snow plower for the Ranch last year on contract from Geary Construction. Mr. Robinson is local, he knows the Ranch well and he is also a firefighter. He is a real asset to the Ranch.

A member asked for a phone number for Mr. Robinson. Mr. Foster preferred not to give a phone number and offered to provide his email address. He suggested that the members contact Mr. Robinson through the area reps. He noted that this was solely his decision to protect Mr. Robinson from being inundated with phone calls while he is trying to do his work. Mr. Foster offered his phone number to the members and requested that they keep the calls to emergencies only. Mr. Foster noted that he takes email on his phone all day and he is more accessible by email.

Fire Prevention

Mr. Foster reported that the Board has been working for several years with the State Fire and the County Wardens, as well as the County Disaster Management. This goes back several years when Diane and Sara West, Steve Jones, and others started working on a new master plan for fire on the Ranch. In 2006 a new fire plan was created to meet the State requirements for being adjacent to wildland areas. Since that time, they continued to work with the State on acquiring grant money through the hours logged by Ranch property owners who work on their own properties and their neighbor's property. The grant money was used for cutting, chipping, creating fire breaks, and a number of other services available on the Ranch. Mr. Foster reported that a page on the website dedicated to the fire issue contains good information. The Board members are also available to talk with members about available fire services.

Mr. Foster showed slides of fires that were caused by people being careless. He noted that lightning strikes are a concern on the Ranch followed by carelessness. Mr. Foster commented a new fire hazard sign at the bottom of the canyon, which is updated daily. When the signs says High, the Ranch policy is for "No Burn" with or without a fire pit. No outside solid fueled fires are allowed when the alert it on High. The website specifies the requirements for High alert. Mr. Foster explained that when the sign goes to High, the big white sign that says "NO FIRES" is hung. When it is below high, the "no fires" sign is removed.

Mr. Foster encouraged members to call a Board member to report any fires during the High alert. The Sheriff will not enforce the Ranch rules but Bryce Boyer, the State Fire Warden, would come up and lecture anyone who acted carelessly and did not follow the Ranch rules.

A member asked about fire pits. Mr. Foster explained that the Homeowners Association follows the specifications laid out by the State and Federal Government. The same fire pit you would have in a State or National Park are the guidelines for fire pits at the Ranch. Once an area rep

inspects a pit on a property and gives the owner a document indicating approval, fires are allowed in that pit as long as the alert is below High.

Website Update

Mr. Foster encouraged the members to visit the website on a regular basis. Minutes of Board meetings are posted on the website, as well as agendas for upcoming Board meetings and other pertinent information relative to the Ranch. Any member can create a user name and password to participate in discussions on various topics. Mr. Foster commented on the money they save by posting the newsletter on the website as opposed to sending a paper copy.

Work Shop and Ranch Office

Mr. Foster reported on additional improvements to the Ranch in the past year. He noted that the Water Company built a 3,000 square foot storage shed and the Homeowners Association took their old shed, which Jody Robinson uses as a workshop. Per agreement between both parties, the Water Company built their new shed on HOA land and the HOA gets the old building in return. Mr. Foster stated that the small office that used to be the Water Company's Office will become the Ranch Manager's Office.

Lighting

Mr. Foster commented on complaints regarding lighting issues. He stated that since Summit County has a lighting ordinance, the Board opted to look at what Summit County requires, as opposed to writing their own regulations. Scot Erickson spoke about "Dark Skies" and presented examples of lights that have been approved. He explained that light trespass is when light from one property shines on another property, and that is not allowed in the Code. Mr. Erickson outlined several reasons for accepting the "Dark Skies" program. He noted that the "Dark Skies" website provides further information on acceptable lighting.

A member stated that he has spotlights that he turns on and off but they are never left on for a long period of time. He asked if that was in violation of the County ordinance. Mr. Erickson did not think it was a problem and suggested that he adjust the spotlights so they do not shine out. He felt the best thing would be to put lights on a motion sensor with a time delay.

Transfer of Density

Mr. Erickson spoke about the transfer of density and the McAllister proposal and the Tarver proposal. Both were trying to take areas of density within the Ranch and move them outside of the Ranch on to larger lots. Mr. Erickson noted that both proposals were denied by the County.

He stated that the Homeowners Board takes the position to neither approve nor deny those types of proposals because it is outside of their purview. However, a document was drafted with requirements for people outside of the Ranch and who want to become members of the Association. If that occurs, they are bound to abide by the CC&R's and by the rules of the organization. Mr. Erickson understood that Summit County denied the proposals because there was not a good provision to transfer density out of a platted subdivision into another area.

In response to a question regarding lot line adjustments, Mr. Erickson explained that if two lots have a continuous boundary at some point and the same person owns both lots, the owner can make a larger lot by combining both lots. He pointed out that lot combinations are good because it spreads out the density from a very small lot to something bigger and more desirable. Mr. Erickson clarified that a lot combination does not change the value of the subdivision.

Because the meeting was being recorded, Mr. Foster requested that members state their name and lot number when asking questions.

Mr. Foster commented on the TDR's lot line adjustments and spoke about annexations. He stated that annexations can be confusing because of how the Ranch is platted. They annex people into the Owners Association of Pine Meadows. If someone has a lot that is contiguous to the Ranch they are invited and welcomed to join the Association, pay dues, follow the CC&R's and be part of Pine Meadows Ranch. However, their land would never officially come into the platted Ranch boundaries. Mr. Foster clarified that the boundaries of the Ranch exist as is and are not changeable.

Special Service District

Dan Heath reported on roadways outside of Pine Meadow Ranch. He explained that in 1999 the Special Service District was disbanded and the road maintenance was turned over to Pine Meadows/Forest Meadows Ranch, at their request. What they failed to recognize was that there was no way to assess anyone outside of the Ranch. When the County had a Special Service District, roads were included on the tax assessment. Mr. Heath stated that maintaining Tollgate is very expensive and that cost is paid mainly by Pine Meadow Ranch and Forest Meadow Ranch. Pine Meadow assesses their owners each year in their dues and that money is used to maintain the roads. They are now talking to the County about a new Special Service District, which would involve everyone in Tollgate Canyon. Mr. Heath anticipated that for the first few years the County would assess each owner between \$100 and \$200 and the cost would be based on lots. Mr. Heath explained that the County is set up to tax non-full time residents at a much higher rate. Those people would use it less but pay more and the Board did not think that was fair. Therefore, the rate would be similar to a flat tax or flat fee and collected once a year. The money would be used to pave the rest of Tollgate Canyon down to the end and for snow removal. Mr. Heath

pointed out that the only other option was to raise the HOA dues and continue taking care of Tollgate Canyon and Forest Meadow for everybody. Mr. Heath stated that nothing has been finalized but he believed they were close.

In response to a question from Alissa Effland, Lot 108, Mr. Foster described the process for requesting a Special Service District. One way is to have a petition of 10% of registered voters in the area proposed for the district. Another version is to have 10% of landowners or 10% of property value within the district. Because it is unlikely to have 100 or 200 owners in the same place, they opted to write a petition for the registered voter version and include an additional petition for landowners who wanted to show support. He noted that the petition only begins the discussion, it does not create the Service District. Once the petition is submitted, it goes before the County Commission and they decide whether or not it is a good idea. If they like the idea, it is immediately noticed for a 30 day comment period for verbal and written comments. If 30% of the owners within the proposed district oppose a Service District it dies. If less than 30% are opposed, the County Commission has the purview to modify the request to make it suitable to a larger group. At the end of that 30 days period the request either dies, is approved in its original form or is modified.

Responding to a question regarding the County notification requirements, Mr. Foster assumed it would be notified the same as other legal notices within the County.

Kim Clark, Lot D-83, stated that at one time the owners only paid one fee. That was changed and they now pay a homeowners fee and a water fee. She asked if the Special Service District fee would be a third fee. Mr. Heath answered yes and explained that their fees would be increased regardless. With a Special Service District, people outside of the Ranch would also be involved in sharing the cost. Mr. Foster clarified that a Special Service District would be a new entity. It would not be part of the Homeowners Association or the Water Company.

Cheryl Groot, Lot E-70 wanted to know why the Service District was dissolved in the past. Mr. Heath replied that the Service District was also tied with the Water Company and the two were separated. He stated that the positive aspect for a Special Service District is that the cost is spread among everyone using the roads. Secondly, the County is excellent at collecting money and the Association does not have to worry about it. Scot Erickson provided the past history as to why the Special Service District was separated from the Water Company and dissolved. He noted that the Water Company is run like a business and the Special Service District is an association of people that raises money to improve roads and infrastructure for each other.

Ken Christensen, Lot D-177, asked how much money the County would contribute to the road. He felt they were letting the County off the hook. Mr. Heath replied that these are private roads that were never dedicated to the County. There was some discussion as to whether they would be

forced to bring the road up to County standards and he understood that they would not be required to do that. They would talk to the County Engineer to see what can be done to make Tollgate as safe as possible.

Mr. Foster stated that a petition was on the table today if they wanted to move forward with further discussion. He read the paragraph that detailed the road maintenance for Tollgate and Forest Meadows. The paragraph talked about maintaining a reasonable surface and does not specify asphalt. Mr. Foster noted that asphalt was not specified, however parts of Forest Meadow would require asphalt. If a Special Service District is not created, the HOA would be resurfacing those roads.

Mr. Cox, Lot B-22, was concerned about government involvement. Mr. Heath explained that the advantage of government involvement was the ability to draw on the expertise of the County Engineer and others. Another advantage is collection of money. The County will not control how the money is spent. Mr. Foster stated that a board, similar to the HOA Board, would become the board of the SSD. The County Auditor would approve and audit the budget.

Mike Coon, Lot C-25 asked about the fee. Mr. Heath stated that the fee would be yearly. Once the work is completed the only expense will be maintenance. He noted that most of Tollgate is already completed. The area on the steep hill is still a problem and needs to be fixed. The fee should be reduced once the work is completed and they are in the maintenance phase.

Mr. Foster clarified that any group of individuals could decide to start the process. It is not directly related to the HOA. If there is support for this petition, Mr. Foster outlined the process and time frame before the SSD would be created. He anticipated several months. Mr. Heath hoped to have it approved prior to this summer. Mr. Foster clarified that the SSD was proposed because they tried to find the best way to deal with the roads. He was open to other alternatives that would accomplish the same goal.

A member understood that the SSD fee would be separate from the HOA dues, and asked if snow removal for Tollgate and Forest Meadows would be covered in the fee. Mr. Heath replied that it was a good possibility. Currently, the HOA is footing the bill for everyone. Mr. Heath pointed out that the SSD can contract to have work done and the HOA could bid on that work. They have equipment for snow removal and this would give the HOA the opportunity to get paid for what they do now. Mr. Heath recognized that an SSD might not be the best solution, but he felt it was better than what they have been doing for the last nine or ten years. He also stated that details were posted on the website for additional information.

Mr. Foster asked that anyone interested in signing the petition for the SSD meet with him after the meeting.

A member wanted to know what to do about collapsed culverts. Mr. Foster suggested that they email the Ranch Manager. He suggested that they also copy their area rep to make sure it gets into the system from two directions for better tracking. Mr. Foster pointed out that culverts under individual driveways is the responsibility of the owner. The Ranch is responsible for culverts under the road.

Recap of 2008 Budget and Proposal for 2009

Bob Burdette introduced himself as the Treasurer of the Owners Association. Mr. Burdette stated that in 2008 they paid off a \$28,000 loan they took from the water company. Last fall some roads needed aggregate in order to make it through the winter. They did not have the money to resurface the roads and had to borrow \$28,000 from the Water Company. Mr. Burdette reported that because of the significant snowfall last winter, they had to pay \$10,000 per month to hire Geary Construction to plow the snow up on the mountain. They had used the emergency fund to help with that expense. The emergency fund was restored this year and the total was back to \$77,000. Mr. Burdette stated that they had also settled their last issues with the former Ranch manager.

Mr. Burdette presented photos of what the roads looked like during the Fall of 2007. From a budget standpoint, it is important for the members to determine what kind of roads they want. These roads belong to the HOA so they can decide on the type of road surface. The problem is that the HOA also has to pay for whatever decision they make. Mr. Burdette outlined the benefits and drawbacks of dirt roads. Mr. Burdette summarized that the HOA can have any quality of roads they are willing to pay for and they can grade every road within the Ranch as often as they want, as long as they are willing to pay the expense.

Mr. Burdette passed around copies of the proposed 2009 Budget. He had divided the budget into fixed expenses and variable expenses. Fixed expenses are items that are fairly certain, ongoing expenses. Variable expenses are harder to anticipate, such as fuel for the grader, equipment repairs, legal fees, etc. Mr. Burdette encouraged the members to review the proposed budget and contact him via email with any questions or concerns. He referred to a \$30,000 budget for equipment purchases under variable expenses and explained why he preferred to purchase equipment for the Ranch as opposed to renting equipment. Mr. Burdette referred to the line item of \$20,000 for aggregate purchases and hauling. He understood that \$20,000 does not go far in putting down road base on 30 miles of road, but they continue to make constant improvements and the roads are getting much better. Mr. Burdette had budgeted \$19,000 for asphalt repair, and noted that it was only enough money to patch chuck holes on Tollgate.

Mr. Burdette stated that as proposed, they would end 2009 with a positive budget balance of \$98.00.

Honey Parker, Lot D-138, asked if the expense for diesel fuel and snow plowing only applied to Tollgate. Mr. Burdette stated that his figures anticipate plowing snow from I-15 to the gravel pit. If the SSD is passed, that would change the amount of snow plowing the HOA would need to budget. It would also change the number budgeted for asphalt.

Mr. Burdette stated that the Board puts in a lot of time, effort and energy without compensation. He noted that nothing in the budget goes towards paying the Board members, not even travel expense to attend meetings. This is a talented and dedicated Board and while they do not always agree on every issue, they respect one another in their arguments. Mr. Burdette believed, as a whole, the Board does great things for the Ranch.

MOTION: Scot Erickson, FMC-70 moved to approve the budget for 2009. Duane Yamashiro, Lot G2, seconded the motion.

VOTE: The motion passed unanimously.

PMEEF (Plowing)

Mr. Foster corrected Mr. Burdette's earlier comment and stated that the only plowing the HOA does on the Ranch is from I-80 to the gravel pit. The I-15 portion was discontinued. Any other plowing on the Ranch is privately contracted. An umbrella organization covers some of those plowers and there are also individual plowers who work on the Ranch. The Board sets the requirements for plowing on the Ranch. He presented a slide outlining those requirements.

Scott Erickson stated that there are two distinct areas on the Ranch; the Tollgate Canyon access site, which is the Pine Meadow emergency evacuation plan, and the Forest Meadows site, which is the Forest Meadows emergency evacuation plan. Currently, the Ranch plows up to the gravel pit and stops. People on the Pine Meadows side of the Ranch plow their little spurs from that. On the Forest Meadows side, they have to plow all the way down to the highway. He stated that normally they try to connect the two sides of the Ranch, but that will not happen this year because they do not have the manpower or the equipment to keep that open. The burden has been on the Plow Association to create that safety loop and they can no longer do it. He wanted everyone to understand that if Tollgate Canyon is closed they cannot get through.

Mr. Erickson stated that in each individual plow group one person is responsible for the different colors on the map. He was speaking on behalf of Chad Florence, the President of the Plowing Association. His name and email address is on the website and he is the main person to notify with complaints or suggestions for snow plowing. Mr. Erickson was also happy to field questions.

Honey Parker, D-138, was concerned that each side only has one way out and what would happen if something happened and someone needed an alternate way out. She wanted to know what Mr. Erickson felt was a good first step towards trying to connect accesses. Mr. Erickson understood her concern, however, the roads are not subject to County standards and the HOA grader is not capable of making the loop all the way through. The only way would be to negotiate with private plowers to keep those roads open and it would have to be paid for by a private entity. Currently they have neither the manpower or the machinery to address her concern. He agreed that something needs to be done from a safety standpoint.

A suggestion was made for signage that lets people know the winter road conditions and what they need to travel on Ranch roads. Mr. Erickson was open to any suggestions regarding signage.

Mr. Erickson asked anyone to notify the Board if they notice a road that is not being plowed to the outlined standards. They should also notify the Board about dangerous situations that may occur. He asked the people who travel on snow machines to remember that there are other vehicles on the road.

Mr. Foster stated that the plow document he passed around needed to be signed and returned to the Board by anyone who intends to operate a snow plow on the Ranch. Anyone who operates equipment must operate under the rules and regulations of the Owners Association or it cannot be done. The HOA would have legal grounds to stop an operator who violates the regulations.

The members thanked and applauded the Board for their service.

The annual meeting of the Pine Meadow Ranch Owners Association adjourned at 8:10 p.m.

Approved