

Pine Meadow Ranch Owners Association
Monthly Board Meeting
September 16, 2014
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PINE MEADOW RANCH OWNERS ASSOCIATION
MONTHLY BOARD MEETING
RANCH MANAGER'S OFFICE
PINE MEADOW RANCH WINTER PARKING LOT
SEPTEMBER 16, 2014

In Attendance: Tony Tyler-President; Dan Heath-Vice-President; Honey Parker Secretary; Pat Kreis-Treasurer; Matt Brown (Area 1); Jeremy Jespersen (Area 2); Alan Powell, (Area 3) Tom Deaver (Area 4); Mark Hodgson (Area 5); Mike Gonzales (Area 6); Nick Boyle (Area 7).

Ex Officio – Jody Robinson, Ranch Manager

Guests: Ralph and Sheriene, Lot C-82; Bill Benelli, Lot E-85; Kent Smith, Lot A-59, representing North Summit Fire District; Marcie Adams, Lot D-14

Tony Tyler called the meeting to order at 6:33 p.m.

Approval of Minutes

MOTION: Alan Powell moved to APPROVE the minutes of August 19, 2014 as written. Tony Tyler seconded the motion.

VOTE: The motion passed. Honey Parker, Mark Hodgson and Matt Brown abstained.

Owner/Visitor Open Forum

Mr. Benelli, Lot E85, referred to the \$1300 allocated for Heather Lane in the budget, and he wanted to know how they would spend the \$1300.

Ms. Kreis indicated a report on the back of the paperwork that was handed out. She assumed Jody would talk about it during the Ranch Manager's Report. Ms. Kreis stated that she and Carol had researched all of the meeting minutes and looked for motions where the Board had approved specific road projects. She believed the report would be helpful in tracking which projects were actually approved and the budgeted amount for each item.

Ms. Kreis noted that the chip seal was listed on the report and indicated that the Water Company would contribute funding for that project. The top left-hand corner showed the

budget for the categories of road repair. The upper right-hand corner showed the actual costs for road repair. Also on the right-hand column were the unpaid bills detail being presented for approval this evening, as it pertains to the road improvement projects. Ms. Kreis pointed out that the total approved projects were \$99,350. The actuals, plus the proposed to be approved this evening, amounted to \$80,382. The checking and savings accounts, including the reserve account balances were shown.

Ms. Kreis thought it would be helpful for Jody to review the list and identify which projects have been approved and which are yet to be approved.

Mr. Tyler informed Mr. Benelli that the Board would have to defer an answer to his question until they have a general discussion regarding road projects for the remainder of the season. Money and Jody's time were the two primary issues.

New Construction/Additions

PI-D-14AM - Construction

Mr. Tyler stated that when he sent the email to the Board he had not seen the elevations. He printed out the elevations and had them available.

Mr. Tyler noted that in the past the Board had talked about the ability to use concrete as siding. Through those discussions they generally agreed that the amount of concrete should be limited to 10% or less of the exterior of any structure. He remarked that the plans submitted exceeded the 10%; although the draft Architectural Guidelines has a provision that allows someone to request a variance. Mr. Tyler pointed out that the finishes on the concrete proposed were different from the typical form concrete and he thought it warranted a different review. Mr. Tyler was concerned about approving or denying this issue via email, because what they decide will set a precedent for future buildings, particularly related to the Architectural Guidelines. He felt it was important for the Board to have an actual discussion before making the decision.

The property owner, Marcie Adams was present to answer questions.

Mr. Tyler noted that the revision on the site plan shows the exercise room, a garage, and a guest house that are proposed to be built in three phases. He asked if Ms. Adams was looking for a single approval for all three phases. Ms. Adams stated that one approval for all three would be her preference. Mr. Deaver asked Ms. Adams if she had a timeframe for completing all three phases. Ms. Adams replied that the goal is to have everything completed in 18 to 24 months.

Mr. Tyler was comfortable with the proposed siding and believed it was consistent with siding they have allowed in the past. He reiterated the amount of concrete proposed, as well as a cut and stacked log wall along the backside, which breaks up the long face they were looking at before. Another small studio has the same siding that breaks up the long façade. The garage would be on the back side. Mr. Tyler could find no issues with the guest house and felt that it completely met the guidelines. The gym has two walls of concrete, which exceeds the 10%. The barn is completely siding and complies with the Guidelines as well.

Mr. Deaver thought the color of the concrete was important because color can make a difference in visual appearance and massing. Mr. Tyler stated that he had spoken with Jeff, the project architect, who was unable to attend this evening. Mr. Tyler remarked that the goal is not to eliminate using a particular material. The goal is to use the material smart and in conjunction with the Architectural Guidelines. He agreed that the Board would be opposed to regularly formed concrete. If the concrete was gray in color he would personally be opposed. However, after speaking with Jeff, he understood that the concrete finish has not yet been determined, but it will be an interval color concrete. Mr. Tyler stated that while the color is important, they also need to know what finish the owner intends to use on the concrete.

Mr. Tyler stated that in order to allow Ms. Adams the opportunity to make use of the remainder of the building season, the Board could grant a conditional approval. The conditional approval would allow an exception to the 10% rules in the Architectural Guidelines for the finished concrete siding as proposed with the integral colored concrete; however, the Board would have to see a mock-up of the finish before the concrete is installed, along with a definition.

The Board had no other issues aside from the percentage of concrete proposed on the house. Mr. Gonzales expressed his concerns for giving a conditional approval. Mr. Tyler explained that the reason for suggesting a conditional approval was to allow Ms. Adams to begin the permitting process with Summit County. He remarked that the HOA would have the same rights with a conditional approval that they have with anyone who starts a project without any type of Board approval. They would still have the ability to impose a fine, place a lien, or ask Summit County to red tag the building permit.

Mr. Tyler stated that unless there was agreement among the Board regarding the definition of finished concrete and earth tones, they should wait on the approval. However, he thought there was general consensus that the Board would accept a normal finished concrete with normal earth tones.

Ms. Parker was concerned that Ms. Adams could spend money on something that

would not meet the Board's approval. Mr. Tyler clarified that he would not give a blanket approval to earth tone concrete for any application. However, in this particular case, unique circumstances allow them to use concrete. One reason is that the concrete is on the back side of the house and a substantial portion would be broken up with an approved material. They also provide additional relief with the stacked log wall on the back. They have also mitigated the impacts of seeing a straight flat concrete wall. He personally views it as a site specific application. He wanted to avoid setting a precedent for using colored earth tone concrete on the Ranch in excess of 10%.

Mr. Deaver asked if the conditional approval would include a variance. Mr. Tyler answered yes. Mr. Deaver thought the approval of the variance should include language stating that this was not to be construed as a precedent of general scope, and that each requested variance would be looked at individually on a case by case basis with all the parameters. Mr. Tyler concurred. He believed there was a compelling argument for using the concrete on this specific lot with this particular design.

Mr. Boyle stated that he had met with Ms. Adams prior to this meeting. He agreed that with the majority of concrete being on the backside and being broken up, and with the number of trees, it would not be visible. The guest house, which would be most visible from the road would not have any concrete.

Mr. Gonzales stated that he still had the same concerns. He wanted to make sure it would not set a precedent and that the Board would follow through with seeing the mock-up, etc. before giving final approval.

Mr. Powell asked if the Board would be able to give an approval electronically once Ms. Adams and her architect finalize the concrete finish they intend to use. Mr. Tyler stated that it would take time for Ms. Adams to get through the building permit process with Summit County. He preferred to give a conditional approval this evening to move forward with the permitting process; and have her come back to another Board meeting for final approval.

Mr. Tyler summarized the reasons for considering the variance: 1) The size of the lot allows the house to be situated far away from other properties that the use of concrete in these particular locations would not impact anyone else; 2) After the initial design, the owner revised the rear of the façade, which has the most concrete, to break up that plane for more relief; 3) The material is not a raw concrete finish. It is an interval color concrete finish and the owner will provide a mock-up of the material before it is installed.

MOTION: Mr. Tyler moved to grant a conditional approval for a variance to exceed the 10% rule for the amount of concrete based on the following: 1) The size of the lot

allows the house to be situated far away from other properties that the use of concrete in these particular locations would not impact anyone else; 2) After the initial design, the owner revised the rear of the façade, which has the most concrete, to break up that plane for more relief; 3) The material is not a raw concrete finish. It is an interval color concrete finish and the owner will provide a mock-up of the material before it is installed. Tom Deaver seconded the motion.

VOTE: The motion passed. Mike Gonzales abstained from the vote.

Mr. Tyler asked Ms. Adams to provide the exact percentage of concrete being used in the variance application. He would attach that to a letter stating that this was a conditional approval for this application. Mr. Gonzales asked what percentage the Board would conditionally approve. Mr. Tyler replied that this was the reason for needing to know the exact percentage for the entire façade. Mr. Gonzales clarified that he likes to know numbers and exactly what he is approving, which was why he abstained from voting on the conditional approval.

Ms. Adams stated that she would do her best to provide a mock-up as soon as possible. She thought they would have it for the next meeting. Ms. Adams offered to bring the material samples to the next meeting for the Board members who were not present at the August meeting. She thought it would be helpful if they could see the actual colors and materials.

Mr. Tyler reminded the Board that this was the last meeting for the year on the Ranch. They were unable to use the Salt Lake County Library facilities, and meetings were scheduled at the Sheldon Richins Building at Kimball Junction. Matt Brown stated that he has a conference room behind Burt Brothers on the frontage road and they were welcome to use it any time. Mr. Tyler would notify the Board with the location of the next meeting.

Lot C-82 – Construction.

Mr. Tyler informed the owners that they were supposed to obtain Board approval before beginning construction. He appreciated that they had come to the Board before proceeding further. Mr. Tyler explained the process for new construction and additions. He noted that the Board was not too concerned with the architectural design as long as it meets the Architectural Guidelines. The Board is interested in roof color and materials and exterior siding color and materials. Mr. Tyler explained the approval process and related documents. An impact fee is calculated based on either the initial construction, which is \$6,000; or the fee for additions which depends on whether or not the structure will have utilities. If utilities are included, the impact fee is \$2.40 per square foot.

Without utilities, the fee is \$1.20 per square foot.

Mr. Gonzales asked if they were building a screened porch. He owner stated that it was intended to be a screened porch; however, it occurred to them that with the Mormon Trail in front of them they would be scooping out dust. Therefore, they put in windows with screens so it could be closed off. It will be an outdoor living room with windows instead of screens. It does not have finished walls.

The question was raised as to whether it would be considered an open deck with a roof. Mr. Tyler remarked that in the past the Board has interpreted an open deck uncovered as not being a structure, and does not require impact fees or Board approval. Once the deck is covered it becomes a structure.

The owners provided color and material samples. They submitted the completed Lot Improvement Plan agreement. The roof is burnished slate cedar shingles. The trim is 2 x 4 in espresso color. Mr. Tyler noted that a legal clause had been crossed out in the Lot Improvement Plan agreement. The owner wanted to know why they would get into a legal battle. Mr. Tyler explained that if they receive approval for a brown roof, and they end up with a blue roof, the Board would have to enforce what was approved. The clause simply states that if the Board is forced to involve a lawyer to enforce the approval, the property owner would reimburse the HOA for legal fees. The owners understood the reason for the clause and were not opposed to it. Mr. Tyler made a note on the Lot Improvement Plan Agreement that the crossed-out clause was reinstated on 9/16 and the owners initialed the change.

Mr. Tyler calculated the impact fee for the covered porch and for the carport for a total of \$1747.20. He noted that once the Board receives the impact fee he would send the owners a copy of the signed Lot Improvement Agreement.

MOTION: Mr. Tyler moved to Approve the plans and the Lot Improvement Plan application as submitted on Lot PI-C-82. Pat Kreis seconded the motion.

VOTE: The motion passed unanimously.

Mr. Tyler revised the agenda to discuss the Fire District Land Lease under On-going Business.

On-going Business

Fire District Land Lease

Mr. Tyler stated that the lease agreement was for a 100' x 100' square of land that sits at the bottom of the canyon. The lease is a three-year term that can be extended if necessary. It is for \$1.00 per year, payable on October 1st. The lease expires on October 1, 2017. The lease agreement allows the Fire Department to order a temporary building.

Ken Smith stated that the fire building would be very similar to the Water Company's building. It is a 30' x 50' metal storage building with 16' walls and 14' high doors. The structure will be heated and insulated with 6" insulation in the roof and 4" insulation in the walls. The Fire District intends to do poured foundations with a gravel floor, but it could be cemented at any time. The colors are proposed to match the colors of the existing buildings with a green roof and beige colored walls.

Mr. Tyler explained that this would provide a temporary building for the Fire District and enable them to have their equipment available for use year-round. At the end of the three-year term, the intent is to sell the Fire District a parcel of land. The cost of the building itself could be credited against the land and the HOA would gain a shop. Jody Robinson and Ken Smith have been working together to make sure that the temporary building would work for Ranch purposes as well in the future.

Mr. Deaver asked if the credit for the building against the sale of the land would be activated at the current rate they paid for the building or market value at the time of the sale. Mr. Tyler stated that those details would be determined when they work on a land purchase agreement.

Ms. Parker asked for clarification on a provision in the Lease Agreement that talks about the Fire District taking down the building. Mr. Smith stated that if the HOA and the Fire District could not come to an agreement for the HOA to take over the building, the Fire District could remove the building. Mr. Smith clarified that the initial intent is to lease the land for the temporary building. Once that is accomplished, they can discuss the issues regarding the permanent ground and what happens in the transition as part of that agreement.

Mr. Deaver asked if the building would block the current ramp between the two parking lots that is used by snowmobilers. Mr. Tyler replied that it would block it, but it was never intended to be a ramp.

MOTION: Tom Deaver moved to accept the Fire District Land Lease Agreement as presented. Alan Powell seconded the motion.

VOTE: The motion passed unanimously.

Manager's Report

Projects completed or in progress

Jody reported that the Lower Canyon was closed today and tomorrow. It was closed today so they could grind off the washboard in the new asphalt. It would be closed tomorrow for chip sealing. Jody assumed the washboard was created because the asphalt was laid too thick and it slipped when it was rolled. Jody stated that only the old asphalt would be chip sealed. The new asphalt would be fog sealed after they finish grinding it.

Mr. Tyler noted that the road widening and the ditching was completed on Lower Tollgate.

Jody stated that he had started working on Porcupine Circle. He was re-grading all the roads after the big washout. He had also been graveling and cleaning culverts. He still needed to do Porcupine Circle, Forest Circle, Pine Meadow Drive, the French drains and Heather Lane.

Ms. Parker asked about the road at the very bottom of Tollgate at the parking lot where the water has created a lake. Jody replied that it was already on the list to be fixed.

Mr. Tyler asked Jody which projects were completed on the list of approved projects. Arapaho from Bobcat to the switchback was completed. Forest Meadow from Lots 23-18 and Pine Meadow drive from Navaho to Lot C7 still needed to be done.

Mr. Tyler asked Mr. Benelli what needed to be done on Heather Lane. He had driven the road and thought it was in fairly good condition. Mr. Benelli stated that there are spots from his lot going towards Navaho that collect water and turn into a mud puddle. Last year he personally purchased a couple of loads of road base for that area. Mr. Benelli had pictures showing how the water floods down and makes a terrible mess. Mr. Benelli thought Navaho needed to be graded. There is no longer a ditch on Heather and when the water comes off Navaho it creates a flood. Mr. Benelli noted that when one property owner dumped a load of dirt in the middle of the road what was already a mess became a bigger mess. He was surprised that the Board had not fined the property owner for the damage it caused.

Mr. Deaver thought the road on Heather Lane was in good enough condition and that it only needed a drainage ditch and burrow pit on the uphill side. He also recommended where the owners could put a culvert to help with drainage. Mr. Deaver suggested that

Mr. Benelli move his snow poles back to the edge of the road so the runoff goes off the road and not down the middle. Mr. Benelli agreed that the ditch needed to be dug before anything else. Jody thought he would have time to dig the ditch this year.

Mr. Benelli asked his original question about the \$1300 that was budgeted for Heather Lane. Mr. Tyler was unsure why the Board had authorized that amount. He assumed they originally thought Heather Lane needed road material. Mr. Benelli believed that Heather Lane needed a couple of loads of road base on the low spots in the area of the mud bog. Mr. Tyler asked Jody if he could pull enough road base from the sides for the low spots. Jody stated that he would need to look at it first.

Mr. Tyler informed Mr. Benelli that the Board would leave it up to Jody and his expertise. It was on the project list and Jody had the approval to purchase road base for the low spots on Heather Lane if it was necessary.

Mr. Powell commented on a bellowed out area on Porcupine Road that needs a culvert. He asked Jody if he would be able to install the culvert if the property owners purchased it. Jody stated that he could add it to the list and install it when he has time. Mr. Tyler continued with the list of projects. Porcupine Circle was still in progress. The HOA work on Tollgate was complete. Mr. Tyler asked Jody if he would be able to finish Porcupine Circle and do Forest Meadow from Lots 23-18, Pine Meadow Drive from Navaho to Lot C7 and Heather Lane this year. Jody replied that it was dependent on the weather. Mr. Tyler remarked that Porcupine Circle was already in progress and they should let Jody prioritize the remaining projects for this year. The Board concurred.

Equipment Status

Jody reported that fives hoses were repaired on the roller this past month. He also used a large amount of hydraulic oil. Mr. Tyler commented on the cost the oil and Jody stated that the cost is \$50 for a five gallon bucket. Jody had to replace the battery in the dump truck; otherwise it was in good condition. The water truck was in good condition.

Mr. Tyler asked about the existing tractor. Jody replied that it was still in Delta. Mr. Tyler had obtained lease quotes and purchase quotes. Based on the history of the Ranch financials, they would not qualify for a loan as an option to purchase a new tractor. Mr. Tyler presented the purchase quotes on two Kubotas. One is an 89 horsepower and the other is a 99 horsepower. Both are turbo and have a front loader. The cost to purchase the 89 horsepower tractor is \$50,187.45, including tax. The cost to purchase the 99 horsepower is \$54,245.61.

Mr. Deaver thought an important factor was the fuel burning difference between the two machines. Mr. Tyler did not believe that the difference in horsepower was large enough to be a factor.

Mr. Tyler stated that he was quoted lease payments for a 24, 36, 48 and 60 month lease, each with a monthly payment and purchase option at the end of the lease. The payment for 24 months was \$1,181 per month for a total of \$28,300. The purchase price at the end of the lease would be \$26,911. The total purchase including the lease payments would be \$55,264. The 36 month lease is \$960 per month for a total of total of \$34,000 with a purchase option of \$23,000, for a total of \$57,782.

Mr. Deaver clarified that the tractor could be returned at the end of the lease if they choose not to purchase it. Mr. Tyler replied that this was correct. His concern with not purchasing at the end of the lease is that after spending \$28,000 over two years, they would have nothing to show for it. Mr. Powell agreed that purchasing at the end of the term made the most financial sense.

Ms. Kreis asked about the warranty on a lease versus a purchase. Mr. Tyler replied that the lease warranty is the same as the purchase warranty. It is a two year bumper to bumper warranty. Routine maintenance is not covered on either warranty. The warranty can be extended an additional two years at the end of the warranty term.

Mr. Tyler stated that he and Jody had looked extensively for a used tractor, but they found nothing that they would purchase personally. Mr. Tyler stressed the importance of having a tractor on the Ranch. He requested that the Board resume this discussion after they talk about the Forest Meadow Road project later in the meeting.

Water Company Report

Mr. Tyler did not have an update this month because the Water Company had postponed their meeting until September 18th. The Water Company was currently moving forward with connecting the water line and building the emergency access through Stagecoach.

Ongoing Business (Continued)

PI-D-8 potential sale

Mr. Tyler had met with the potential buyer, Noah Levine, and they talked about a number of different options. Mr. Tyler has spoken with the attorney Ted Barnes and found that it was not required to have general member approval for selling land. They

can sell, trade or buy land as a Board. They also do not have to ask for approval at the Annual Meeting. The only time they would need general member approval would be to eliminate all HOA assets. As long as they retain some assets, there is no obligation to obtain approval by the general membership. That power is vested with the Board and they have the ability to make the decision. Mr. Tyler stated that the Board has no other obligation in terms of appraisals or publicly listing the property for sale. It can be any transaction that the Board believes is appropriate.

To update the Board members, Mr. Tyler explained that Mr. Levine owns approximately 20 acres of land that is adjacent to PI-D-8. His property can be accessed off of Arapaho and Deep Forest. His initial intention was to purchase Lot PI-D-8 from the HOA, separate the lot and have the density right from Lot D-8 go to his existing property. He would then return Lot D-8 back to the HOA as perpetual open space with no density right attached.

Mr. Tyler stated that as a Board they have the ability in this particular situation to preserve a larger piece of land long term for the use of all the members at no cost to the HOA. When he spoke with Mr. Levine he suggested submitting a joint application to Summit County. That means the HOA would retain ownership of Lot D-8 and Mr. Levine would retain ownership of his property. They would do a subdivision and split his lot. In exchange for the density right that would transfer to his lot, Mr. Levine would transfer an additional acre of land to the HOA, which is everything on the flat portion inside the road area as it goes up to the connector at Forest Meadows. Mr. Levine would pay the fees and he would be giving up a fairly sizeable piece of land. The HOA could end up with an acre and a half of land that would be permanently dedicated open space for HOA use. Mr. Tyler pointed out that in theory Lot D-8 is sellable property, but in reality, it has very little value because two roads cut through it and it would be difficult to build on. Mr. Heath stated that the value is the building permit. Mr. Tyler agreed. He explained that they would be trading that for open space.

Mr. Kreis asked if there was value to the Ranch to have open space. Mr. Tyler stated that in reviewing some of the Ranch history, he found plans that showed lakes and trails and ponds and parks. However, the HOA no longer owns the properties where those amenities were identified to be located. Those properties were sold for some unknown reason. Mr. Tyler believed the HOA has an opportunity with this situation to go back to that original plan and create permanent open space that currently only exists at Bobcat Springs.

Mr. Deaver stated that he had walked the property and he was very much in favor of what Mr. Tyler was proposing. Ms. Parker was not opposed if they would actually be paid for the building right and the money would go to the HOA. Mr. Heath preferred to

get money for the property. He believed that Mr. Levine would want to do a lot line adjustment because it would increase his property value, and in exchange he would be giving the HOA more "junk". Mr. Hodgson pointed out that the Ranch does not have a parks and recreation department to maintain the open space. Mr. Tyler noted that the Board previously had these discussions. The purpose of the HOA is not to own property. The purpose of the Board is to support the homeowners. A Board member remarked that owning property has saved them financially when money was needed in the past. Mr. Heath agreed that they had no use for the land, but they do have use for money. He believed it was worth a lot more to Mr. Levine to be able to develop his 20 acres. Mr. Tyler clarified that his personal preference would be to trade for the land, because permanent open space has far more value than a one-time cash payment.

Ms. Parker thought they should take a serious look at all the HOA owned properties to see whether they could accomplish the suggested amenities on the property they already have. It would help them determine whether or not it made sense to give away Lot D-8. Mr. Kreis suggested that they also value each property. Mr. Powell noted that the properties were inventoried a few years ago and values were attached to each one. The issue was whether or not to make the properties common area and pay the cost to do that. If they did, it would lower or eliminate the taxes on those properties.

Mr. Heath pointed out that the HOA owns some valuable land and some junk land. Mr. Powell believed Lot D-8 bordered on being junk because it is basically unbuildable. If the HOA could get open space for the building right, and they could preserve it as the HOA, it would be a benefit. Mr. Powell was not opposed to selling the building right as long as they retained it as open space. Ms. Parker asked if they could do both; and whether Mr. Tyler could talk to Mr. Levine about attaching a dollar value to the plan the two had discussed.

Mike Gonzales commented that the density rights were more valuable than raw land.

Mr. Tyler clarified that he wanted to hear their thoughts on the matter and he was not looking for a vote this evening. Due to the number of items on the agenda, the discussion was tabled to another meeting.

Forest Meadow Road Re-alignment

Mr. Tyler reported that he met with the Summit County Council last week and they voted to give Pine Meadow Ranch \$243,000 for the Forest Meadow Road Re-alignment. Mr. Tyler stated that the County has never given money to a private entity and they were very concerned about setting a precedent. The County Council placed stipulations on the funds as follows: Forest Meadow Road Re-alignment

Mr. Tyler reported that he met with the Summit County Council last week and they voted to give Pine Meadow Ranch \$243,000 for the Forest Meadow Road Re-alignment.

Mr. Tyler noted that a re-design of Forest Meadow Road has already been completed and it was approved by Summit County. He has been negotiating with Jed, JE Construction, who did the road widening at the bottom, to do the Forest Meadow road re-alignment.

Mr. Tyler outlined the issues. The first issue is that it will be difficult getting the work done for \$280,000, which is their 14% plus the \$243,000 from Summit County. The project is much larger than \$280,000 and he is pushing very hard to get Jed to do it for that amount. Timing is the second issue. If the project is not started in two weeks it would not get done this year and they would lose the County funds. Mr. Tyler stated that the amount the HOA would be required to contribute would be a minimum of \$40,000. At maximum it could possibly be another \$40,000 higher. Once the cost exceeds \$280,000 the HOA would be responsible for any excess amount. Mr. Tyler reiterated that he was pushing as hard as he could get it done within budget and for Jed to take all the responsibility; but he was unsure whether he and Jed would come to an agreement.

Mr. Tyler believed the \$40,000 additional cost was a conservative number, and that a more realistic number was \$15,000 to \$20,000. Mr. Tyler pointed out that Summit County has agreed to contribute \$243,000, which is something they have never done for this type of situation, and it would reflect poorly on Pine Meadow Ranch if they could not use it. He also believed it would be a disservice to property owners on the Ranch if they pass up an opportunity to use \$243,000 of Summit County money.

Mr. Tyler outlined the breakdown of what would be included in the \$280,000 budget. He drew a diagram to show how the road would be realigned.

Mr. Tyler stated that one issue is the time constraint to use the money this year; and the second issue is that the HOA would have to contribute additional money to get it done. Mr. Tyler believed that liability is another issue because the road is on Ranch property. If they pass up the opportunity to improve it and someone gets hurt on the road, the HOA could be liable.

Ms. Kreis recalled that the Board had talked earlier in the year about improving the road condition and she believed this was a great opportunity to have Summit County help with the cost. Ms. Parker thought the County was putting the Board in a bad position because the timing stipulation forces them to spend money they do not have. Someone

asked about the 14% contribution. Mr. Tyler replied that it was an arbitrary number that the County Council determined. Mr. Tyler believed there was a 60% chance they could get it done for \$280,000 and a 95% chance that the cost would be \$300,000. There is a 5% chance that the cost could be higher than \$300,000.

Mike Gonzales noted that the Board did not highlight Forest Meadow as a critical spot until it involved Summit County money. He was concerned that they were willing to dig into the coffers and run the HOA close to bankruptcy for a short section of road. Mr. Tyler clarified that the County identified it as the most dangerous section of road.

Ms. Kreis stated that the amount in the capital reserve was \$158,000. However, she preferred not to use all of it this year so they would have something to carry over into next year. Mr. Deaver wanted to know how much money was left in the budget for projects that they had not yet approved. Ms. Kreis replied that they have approved \$103,000 on various projects. Mr. Deaver pointed out that if the remaining budget did not include the capital reserve they were nowhere near close to being bankrupt. Ms. Kreis stated that there was \$161,000 in checking. The amount in savings was \$206,000, of which \$158,000 was allocated as capital reserve for 2014.

Mr. Tyler stated that a tractor would definitely be a capital reserve expense. He was comfortable spending \$54,000 of the \$158,000 on a tractor. Mr. Powell noted that they would eventually need a roller, but he thought a better plan would be to rent a roller for three months every summer rather than purchase and maintain a roller.

Mr. Tyler stated that if they remove \$54,000 from the capital reserve, it would leave \$104,000 in the capital reserve. They would then have \$209,000 left in funds to finish the year. That amount would have to cover all expenses and projects for the remainder of the year.

Mr. Kreis presented the budget detail to give them an idea of where they were with the budget. They were at 96.3% for the annual assessments. Impact fees and road income from the Church camps were at 106%. Ms. Kreis noted that they were doing extremely well on revenue. She reviewed the actual performance against the budget. The budget for total fixed expenses was \$170,000. Up through September 16th the actual performance was \$114,000. Mr. Kreis remarked that only 67% of the budget was used on the total fixed expenses, which was good for this time of year. In looking at the variable expenses, they had budgeted \$171,000, but the performance to that budget was \$59,000. They had only used 34.6%. Mr. Tyler pointed out that the largest expense was road maintenance. Ms. Kreis stated that overall they were performing very well on the budget. Mr. Tyler believed they had the money for the Forest Meadow realignment if they wanted to spend it.

Mr. Deaver pointed out that property taxes would be paid in November which would take a large portion of the 67% of fixed expenses. Mr. Tyler stated that they have \$56,000 left to spend on fixed expenses. Mr. Deaver noted that the worst case scenario for the HOA to contribute on the Forest Meadow realignment would be \$57,000 based on a \$300,000 project. He stated that they have that amount in the road budget from money that was not allocated to projects. They could use that money without touching the capital reserve fund. Ms. Kreis agreed.

Mr. Tyler outlined the pros and cons. The pro is that they would be able to do a project that the HOA could never budget to do themselves. It is a dangerous section of road and it is double the Summit County standards for short distances of slope. It is entirely on HOA property, which means the HOA has the liability regardless of whether there is an easement liability. The pro is to fix the slope, fix the width, and to add a guardrail and retaining walls. From a practical standpoint, Forest Meadow gets a much better road, a T-intersection that does not have a blind entrance into Tollgate, and it is a gradual slope to the T-intersection. The cons included: 1) the need to spend \$40,000 to \$60,000 to do the project; 2) Forest Meadow is currently a paved road and it would not be paved after the re-alignment, which would require additional money in the future to pave it; 3) the Ranch would lose one of the parking lots. Mr. Powell though another pro was the fact that Summit County was establishing a precedent of working with the Ranch.

Ms. Parker stated that the liability issue was her biggest concern for saying no to this project, and she felt like Summit County had put them in that situation.

Mr. Tyler stated that a motion should include a provision that the contribution from the HOA should not exceed \$60,000. He would use that to convince Jed that the maximum cost could not exceed \$280,000. Mr. Tyler remarked that he would do everything in his power to try and keep their contribution at \$40,000. Mr. Deaver suggested that the motion should say "not to exceed \$60,000 without approval by the Board."

MOTION: Tom Deaver moved to Approve the Forest Meadow Road Re-alignment contribution from the HOA of \$40,000, not to exceed \$60,000 unless approved by the Board. Pat Kreis seconded the motion.

VOTE: The motion passed. Mike Gonzales abstained.

Mr. Boyle noted that people were caught unaware when the water pipeline project started. He suggested that they post the drawings and the project description online and on Facebook once they have an agreement to do the work. If the Forest Meadow road will be closed for two months, it is important to inform the owners ahead of time.

Mr. Tyler asked if the Board was willing to pull \$54,000 out of the capital reserve for the tractor.

MOTION: Tom Deaver made a motion to purchase the tractor for \$54,245.61 from the capital reserve fund, leaving a balance of \$104,000 in the capital reserve fund. Pat Kreis seconded the motion.

MOTION: The motion passed unanimously.

Sledding Hill

Mr. Powell noted that the signs used for skiing and other winter events are more involved than what was needed for the sledding hill. He suggested that posting a sign saying "Use at your Own Risk" was sufficient. He did not believe they needed a detailed listing of liability issues. Mr. Heath thought the sign should say "No motorized vehicles." Mr. Tyler needed someone to draft the language so he could send to the attorney for review. He asked Mr. Powell to draft a sign for that particular use, email it to the Board for comments, and he would send it to the attorney.

Ms. Parker asked if Jody had time to remove the rocks on the sledding hill. Mr. Powell offered to volunteer his time if he could operate the equipment to remove the rocks. Mr. Tyler offered to help. Mr. Heath asked about straw bales for the bottom of the sledding hill. Mr. Tyler thought they needed a budget and another approval since the previous approval was done a while ago. Ms. Kreis suggested that they request donations for hay bales for the sledding hill. Mr. Deaver thought they could make that request at the Annual Meeting.

Mr. Deaver asked if anyone would be posted at the bottom to stop hunters. Mr. Tyler asked if Mr. Deaver was volunteering to do that. Mr. Deaver stated that he was thinking about it to keep hunters off the Ranch. Mr. Gonzales noted that one owner rented his cabin as a hunting place. They hike over to the hunting ground, bag legal game and bring it back. Mr. Powell stated that if someone is reported and they are legal, there is no issue. If they see someone with guns or hunting animals, they should take a picture of the license plate and the animal and report it.

New Business

Winter Snowplowing

Mr. Tyler stated that he intends to hold an annual meeting with all the plowers to review

the regulations for plowing on the Ranch. He planned to schedule a meeting for the first week in October. He would email everyone on the Ranch and post it on Facebook and on the website. Mr. Tyler asked the Board to make sure that everyone they know who plows or runs the plow groups are informed of the meeting date so they can all attend.

Lewis Peak Ranches - Grading

Mr. Tyler reported on an email he received from a representative of Lewis Peak Ranches. In the past the Ranch has graded some of their roads and they were offering to pay the Ranch to pave their roads. Mr. Tyler responded to the email and said he did not believe they had the labor available to do it. However, in an effort to be a good neighbor, Mr. Tyler asked Jody if he would have time to pave the roads. Mr. Gonzales stated that Ranch roads were not getting attention because of Jody's work load. Jody thought a bigger point was what they would charge per hour. Mr. Tyler stated that if they did not have the ability to do it this year there would be nothing more to discuss. Jody did not believe he would have the time. Mr. Tyler would inform the representative that they do not have time to pave this year, and he would work with them for next year.

Monthly Budget Review

Ms. Kreis reviewed the unpaid bills detail. Most of the expenses were related to road repairs.

MOTION: Tony Tyler moved to pay all the unpaid bills as presented. Tom Deaver seconded the motion.

VOTE: The motion passed unanimously.

The meeting of the Pine Meadow Owners Association Board adjourned at 8:53 p.m.
