

PINE MEADOW RANCH OWNERS ASSOCIATION
MONTHLY BOARD MEETING
RANCH MANAGER'S OFFICE
AUGUST 18, 2015

In Attendance: Tony Tyler – President; Dan Heath – Vice-President; Pat Kreis, Treasurer; Tom Deaver (Area 4); Mike Gonzales (Area 6); Tom LeCheminant (Area 7).

Excused: Matt Brown (Area 1); Jeremy Jespersen (Area 2); Alan Powell (Area 3); Mark Hodgson (Area 5); Honey Parker, Secretary

Ex Officio – Jody Robinson, Ranch Manager; Carol Steedman, Office Administrator

Guests: Theresa and Josh, Lot PI-27; Tom Brace, FM-B-23; Mike and Janine Bowen, Lot FM-47; Bill Obermiller, Lot E-73; Brian Hobbs, Lot FM-169, Chad Markle, Lot FM-D-178.

Tony Tyler called the meeting to order at 6:41 p.m.

Approval of Minutes

Mr. Gonzales noted that some of his comments were omitted from the Minutes.

Mr. Deaver objected to what has been said about him personally. He found it very offensive. He had informed several Board members and his Area Rep that he intended to build a shed. He told them that at the shed would be less than 200 square feet and that he was still unsure of the color. He ended up finding a good deal on a Tuff Shed which saved him a considerable amount of money. He notified the Board during a monthly meeting. At that point he told the Board that he knew the color and wanted to make sure that it would fit the Architectural Guidelines. Mr. Deaver thought the minutes reflected that he was trying to back door the process and push his shed through without telling anyone. Mr. Deaver believed it was totally wrong and he asked that the minutes be corrected to reflect the true facts.

Ms. Kreis noted that she had arrived to the meeting late due to traffic, and a portion of the discussion was not recorded. Mr. Deaver stated that it was discussed just prior to the start of the recording and that was when he had voiced his objections to the comments that were made.

Mr. Tyler agreed that he and another Board member had spoken with Mr. Deaver regarding the shed and were aware of his plans. He noted that the Minutes only reflected that Mr. Gonzales was not in favor because the plans had not been pre-approved prior to beginning construction. Mr. Tyler clarified that it was true to the extent that Mr. Deaver had not obtained official approval at a Board meeting prior to starting construction; however the Board members were aware of the fact that it was being built

on the property. Mr. Tyler suggested that the minutes be corrected to reflect that the Board was aware and had approved with no objections.

Mr. Tyler noted that the accurate facts are that Mr. Deaver paid the impact fee and there was one negative vote from Mike Gonzales. The rest of the language should be stricken.

Mr. Gonzales questioned what part would be stricken because his vote would still be the same. It would not stop Mr. Deaver but his vote was a matter of principle. He did not believe the Board members should get a pass on the process just because they sit on the Board.

Mr. Tyler agreed with Mr. Deaver and reiterated that the Minutes would be changed as previously stated.

MOTION: Mr. Tyler moved to APPROVE the minutes of July 21, 2015 as amended. Tom Deaver seconded the motion.

VOTE: The motion passed. Dan Heath abstained since he had not attended the July 21st meeting.

Owner/Visitor Open Forum

Fire Pit Violation – PI-27

Josh and Theresa, Lot PI-27, had attended to specifically talk about the fire pit issue. Josh stated that a month ago he built a fire and it was not a regulatory fire. Alan Powell, his Area Rep for Area 3 and told him all the details about building a fire and why it was dangerous not to follow the regulations. He also suggested that they attend a meeting and talk to the Board.

Mr. Tyler asked if this was the situation where a violation was issued with an associated fine. He was told that it was. Mr. Deaver understood that the fire had flared up the next morning unattended.

Mr. Gonzales asked if Josh and Theresa were given a copy of the CC&Rs from the owner they were renting from. They answered no. Mr. Gonzales agreed that it was not good practice to have fires on the Ranch during the no fire period; but he believed that should only be half the fine. He thought the owner who rents the property should be equally responsible for not making the renters aware of the fire regulations. Mr. Tyler clarified that the situation did not occur during the no-fire period. Fires were allowed

during that time frame but this particular fire was not within a fire pit and it was unattended. He noted that Brian Hobbs had the same situation on his property last year and a fine was issued and paid. Ms. Hobbs' contractor had come to the Board pleading for mercy and the Board denied leniency. Mr. Hobbs explained that the difference with his situation was that he had delivered the CC&Rs to his contractor before they started building and he was well aware of the rules.

Mr. Gonzales felt that was a reverse case because Mr. Hobbs as the owner provided the information to the contractor. In this case Josh was not given the CC&Rs. Mr. Tyler pointed out that the HOA does not have the ability to fine someone who is not a property owner. As a renter Josh would not receive the fine because it would be sent to the property owner, Bob Merrill. Mr. Gonzales remarked that the HOA fine would go to the property owner, but the violation of the Summit County regulations would be issued to Josh. Josh understood that Alan Powell had reported the incident to Summit County but he could not confirm it.

Mr. Deaver asked if \$1,500 of the \$2,000 fine was from Summit County. Mr. Tyler stated that the fine that was levied was entirely from the HOA. The first was for a non-approved fire pit and the second was for an unattended fire. Mr. Deaver thought the bigger issue was the fact that Josh thought the fire was put out that night but it flared up the next morning and it was burning near the woodpile and near the house.

Mr. Gonzales asked if the HOA sends out notices for unapproved fire pits. Mr. Tyler answered no. They never send warnings for fire issues and proceed directly to fines because of the magnitude of the issue. Mr. Gonzales stated that he had spotted an unapproved fire pit in his area. He notified the owner and the fire pit was removed and replaced with an approved fire pit. Mr. Gonzales asked if Josh had notified the owner about the fire pit or whether he just built it at the last minute. Josh replied that it was a last minute situation and it was never inspected.

Mr. Tyler believed the fine was \$500 for a non-approved fire pit and \$1500 the unattended fire. Josh was fined \$2,000 because he had both violations. Mr. Tyler pointed out that Alan Powell had provided a summary and photos. He explained that Josh could appeal to the Board for mercy and the Board had the purview to decide whether or not they should or could grant his request. Mr. Tyler sympathized with Josh; however in the past the Board has maintained a no-tolerance policy. If a wildfire occurs many people could lose their homes and for that reason the Board is very strict about adhering to the regulations. Mr. Tyler asked the Board for their thoughts on the matter.

Ms. Kreis believed that in matters related to public policy the Board needed to weigh their decision in favor of the best interest of the entire community. Mr. Gonzales

thought the only item worth discussing with the owner was the fact that the renters were not being provided the proper documents. He pointed out that it is difficult to follow the rules without knowing what the rules are. However, he did not know if it was enough reason to excuse the fine because the fine would go to the owner and Josh would have to work it out with the owner. Mr. Heath believed this was the same situation they encountered with Brian Hobbs, and Mr. Hobbs was fined \$1500. Mr. Gonzales recalled that in Mr. Hobbs' situation the contractor did not build a fire pit. He basically built a bonfire, which is why Mr. Hobbs was not fined the \$500 for a non-approved fire pit.

Mr. Deaver agreed with the \$500 fine for a non-approved fire pit. However, he believed the unattended fire was unintentional because Josh thought he had put out the fire and the fine should be reduced.

Mr. Tyler referred to the HOA fire policy and clarified that the fine for an unintended fire was \$1,000. He noted that the fine should be immediately reduced to \$1500 match the policy, which would be \$500 for a non-approved fire pit and \$1,000 for the unattended fire. He understood that Mr. Deaver was asking the Board to consider whether there could be leniency to reduce the \$1,000 unattended fire fee because it was unintentional. Ms. Kreis thought it was important to treat everyone the same. She did not think the Board should randomly decide that one property owner could be treated differently. In cases of financial hardship she suggested the possibility of making arrangements to allow the fine to be paid over time. Mr. Tyler understood Ms. Kreis' point and he agreed that the rule should be consistent. If it becomes a payment issue he was willing to look at a payment plan to pay off the fine. Mr. Tyler thought the Board needed to take a firm stance on fire related issues. Mr. Gonzales remarked that the Board should expect payment from the property owner because Josh was never informed of the rules.

Mr. Tyler clarified that the fine would be \$1,500 and not \$2,000 as originally stated.
MOTION: Tony Tyler made a motion to APPROVE the fine of \$500 for a non-approved fire pit and \$1,000 for an unintended fire for a total fine of \$1,500 to Bob Merrill, Lot PI-27. Tom Deaver seconded the motion.

VOTE: The motion passed unanimously.

Mr. Tyler clarified that the violation and fine would be sent to the property owner and not to Josh. Ms. Kreis thanked Josh and Theresa for coming to the Board to explain what had occurred and why. She appreciated their acknowledgment that it was a serious issue. Mr. Tyler informed Josh that the fire regulations were on the website. Josh stated that Alan had provided him with information and said to call him if they ever wanted to build an outdoor fire pit. Mr. Deaver pointed out that even an approved fire pit cannot be used when the sign at the bottom says no open fires. Josh asked about

using a barbeque. Mr. Tyler replied that anything with an ignition switch, such as a gas barbeque, is allowed any time. A charcoal grill would be prohibited.

Mike Bowen stated that when drivers leave the asphalt and they do not engage their four-wheel drive they spin their tires up the hill which increases the washboard. He asked if the Board could post something on the website to address the issue. Mr. Tyler was willing to post something on the website but he did not believe it would stop people from doing it. Mr. Bowen stated that even if it stops a few people it would help. Mr. Tyler would have Honey Parker post something on the website.

New Construction

Tom Deaver stated that he was coming up Tollgate Canyon Road a week ago and he saw three large flatbed trailers full of construction material. He asked the lead driver where they were headed and he said they had three Kong sheds to put up. Mr. Deaver followed the trucks and found that they were being put up but the owner had not been to the Board or informed anyone of his intent.

Mr. Tyler asked if the owner was putting three sheds on one lot. Mr. Deaver stated that they were three different lot owners, and two were brothers. Mr. Deaver talked with the owners and collected the impact fee in cash in the amount of \$477.60. The fee was calculated at \$1.20 per square foot because there were no utilities or electricity. The exterior match the guidelines. The third shed was less than 120 square feet and did not require a fee.

Mr. Gonzales asked if Mr. Deaver had consulted the other Architectural Committee members. Mr. Deaver replied that he personally handled it on the spot and collected the fee. Mr. Deaver noted that the smallest shed was a perfect match to the primary house, which also meets the architectural guidelines. Mr. Tyler pointed out that technically it still needed to be approved by the full Board. Mr. Deaver understood, which was why he asked the owners to attend the Board meeting this evening, but they had not come.

Mr. Deaver submitted the signed contracts and the impact fees. Mr. Tyler was comfortable with what was submitted since Mr. Deaver was a member of the Architectural Committee. However, as a matter of practice in the future, he asked Mr. Deaver to communicate with the other two members on the Architectural Committee so all three members have the same information and agree on what was done.

Mr. Tyler suggested that the Board motion to approve the lots individually.

MOTION: Tony Tyler moved to APPROVE the addition of a shed on the property on Lot PI-B-42. Tom LeCheminant seconded the motion.

VOTE: The motion passed. Mike Gonzales abstained from the vote on the basis that his comments regarding Tom Deaver's shed also applied in this case.

MOTION: Tony Tyler moved to APPROVE the addition of a shed on the property on Lot PI-B-44. Pat Kreis seconded the motion.

VOTE: The motion 5-1. Mike Gonzales voted against the motion.

Mr. Tyler stated that the HOA could impose a fine for starting construction before obtaining official HOA approval. Mr. Deaver pointed out that the owners were not going to notify anyone. He just happened to be following the trucks. Mr. Tyler noted that there was no precedent for charging the fee and it does not exist on the current Fee Schedule. He thought the proper process should be to determine an appropriate amount that would be charged if construction is started before obtaining Board approval. That amount should be added to the Fee Schedule and voted on by the membership at the Annual Meeting. Mr. Deaver noted that all three property owners were old-timers on the Ranch and they should have known the proper procedure to notify the Board.

Mr. LeCheminant stated that he was not fond of signs, but he questioned how many people actually know they are entering an HOA and that rules and regulations need to be followed. Mr. Tyler recalled having that discussion in the past. He personally favored the idea of posting a sign at the entrance telling people that they were entering the Pine Meadow Ranch HOA Covenant Controlled Community. Mr. Gonzales recalled that there was supposed to be a sign in addition to the sign put up by Bill and Cheryl Groot. Mr. Tyler thought signs should be posted at the entrance to the Ranch right above Oil Well and also at Forest Meadow. Mr. Tyler suggested that the Board further discuss it in the overall sign discussion.

Mr. Deaver reported that he was building a deck and he had sent Mr. Tyler a check for his impact fee. Mr. Tyler noted that the HOA does not charge an impact fee on open decks and he would return the check to Mr. Deaver. If the deck is enclosed then it would require an impact fee. Mr. Deaver clarified that his deck would not have power or lights.

Ranch Managers Report

Jody reported that the culverts were finished.

Mr. Gonzales wanted to know why Forgotten Lane and Oak Road were already completed when they were only put on the list at the last meeting and higher priority roads were still waiting to be done. Mr. Deaver noted that Forgotten Lane was nearly impassable. Mr. Gonzales replied that sections were impassable but only in areas where anyone lived. Jody explained that he grades all of the roads in addition to the priority list.

Mr. Tyler reviewed the list of projects and noted that Items 1, 2, 3 and 4 were completed. Item 5, Forest Meadow and Item 6, Tollgate Canyon were the next priorities. Item 7b or 7a were also Forest Meadow. Item 8 was complete. Items 9, 10, 11, 12 and 13 still needed to be done. Mr. Tyler summarized that from a priority standpoint Forest Meadow was next in line followed by Tollgate Canyon.

Mr. Tyler reviewed the budget and noted that \$12,959 out of \$39,600 had been spent. Carol had prepared an expense report that was included in their packet. She had included the budget next to the expenses so they could see where they were with the budget.

Ms. Kreis commented on the actuals that had been billed against the account called General Road Repair. She noted that \$5,000 was budgeted for that line item and \$50,000 was budgeted for the aggregate. She thought it was important to understand the difference between the two line items and where they put the actual expense. Mr. Tyler stated that the grant they received from Summit County for the re-route of Forest Meadow was the reason why they were over on the aggregate purchases. He thought the JE Excavation expense should go under aggregate purchases because that was where it was approved. He stated that if they were carrying an additional \$5,000 in general road repair that line item should be eliminated because there was no need to have multiple categories. Ms. Kreis offered to combine the general road repair line item and the aggregate line item for 2016. Carol pointed out that it would show as \$55,000 for aggregate.

Mr. Tyler stated that a total of \$30,869.39 had been spent on roads. Carol noted that there was still one unpaid bill for mag water. Ms. Kreis remarked that it was for the second application and they had budgeted for three applications. It would show on the unpaid bills detail. Ms. Kreis reminded the Board that the \$30,869 included \$3,000 for mag water that should not be charged against the aggregate. Mr. Tyler summarized that approximately \$12,000 was left in the budget for this year. According to the balance sheet there would be approximately \$17,000 left if they combine the additional \$5,000 with the aggregate. They needed to make sure they kept enough in the budget to sand Tollgate this winter. He suggested setting aside \$10,000 for the winter, which

would leave \$7,000.

Mr. Tyler thought the section of Tollgate Canyon that was starting to wash out needed to be done this year. Jody estimated the cost at \$2400, leaving \$7600. Jody noted that they needed to take out \$2300 for the garbage lot. He only did it today so they did not have the bill. Mr. Tyler pointed out that after they pay the \$2300 there would be \$5200 left in the budget for the remainder of 2015.

Mr. Tyler reported that they had obtained a bid to grind and regrade Lower Forest Meadow. He explained that grinding pulverizes the old asphalt and then Jody could regrade it. This process was done on Tollgate Canyon Road before they laid the new asphalt and it works well as new road base. The bid was \$7660, which is \$2400 more than the current budget.

Mr. Gonzales asked if the bid for the grinding was for the whole section or just the parts the HOA owns. He thought the people who own the rest of the property should pay for those sections. Mr. Tyler disagreed with the premise that they do not have the obligation to maintain that road. Mr. Gonzales stated it was not a matter of obligation. It was in the legal document that defines what the Pine Meadow HOA Board is supposed to do. It says the Board can spend money on common areas and Ranch properties, but nothing outside of the Ranch. Mr. Gonzales stated that it is specifically on what they own as defined in the document that defines the Ranch. Mr. Tyler explained that the document that ceded control of the HOA back to Pine Meadow from Summit County gave them the rights of access through Tollgate Canyon and Forest Meadow if they exist, and required maintenance obligations. Mr. Tyler reiterated his past comment that Tollgate Canyon's right has been perfected and they clearly own the right-of-way across Tollgate Canyon. They have traditionally maintained Forest Meadow long before he came to the Ranch, and although it has not been tested in court, he believed that if it were tested in the court, it would be same result that happened with Tollgate. Mr. Tyler stated that the HOA has been operating under the assumption that they own and maintain Forest Meadow Road. Mr. Gonzales stated that they have the right of access but they do not own the roads. Sections of the roads are owned by the people who own the property out there. Mr. Tyler replied that it is a prescriptive access easement, which means they own control of the road. Mr. Gonzales stated that the other people own the property and the benefit they would get from the increase in property value would be paid for by the Pine Meadow HOA. He was not in favor of doing that. In his opinion, if they pay for a benefit it should go to the community because it comes out of community funds. Mr. Tyler argued that access to half of the Ranch was a community benefit.

Mr. Tyler recognized that it was a difference of opinion among the Board which is why he mentioned it. He believed everyone understood that Mr. Gonzales has always taken

the position that HOA funds should not be used to maintain Forest Meadow roads, and he respectfully disagrees. Mr. Gonzales clarified that his objection was not limited to Forest Meadow Road. He was opposed to paying to maintain any non-HOA property.

Mr. Deaver stated that aside from the fact that they have a perfected right-of-way and easement ownership, historically some of the owners down by the horse property have objected to the HOA doing anything. He suggested that it might be a good idea to talk to those owners whenever the HOA plans to do something near their property. They might be less opposed if they had the opportunity to provide input.

Mr. Tyler noted that there was \$5200 left in the budget and the cost was \$7760 for grinding the section from where the existing good pavement ends by the storage sheds up to the corner of the Tricket's. He clarified that the machine was specifically for asphalt roads. Mr. Deaver asked whether they should also roll it after they grind it and Jody grades it. Mr. Tyler replied that it would be rolled.

Ms. Kreis pointed out that they had collected more in impacts fees than what they had budgeted.

Mr. Deaver noted that the people in Forest Meadow worked with the Board, especially when they were improving Tollgate and all the traffic was directed up Forest Meadow. He recognized that the owners received a huge benefit when Lower Forest Meadow was re-engineered and rebuilt, but he believed that benefit affected everyone. Mr. Deaver stated that if they have the money and the Board agreed, he would like to grade the road starting at the storage units up to the corner of Elizabeth's place. Mr. Tyler stated that they have identified that area as one of the top ten priorities for this year. Another option would be to lay \$4600 in aggregate to fill in the potholes. He tries to drive all the roads on the Ranch at least once during the summer, and of all the roads he's driven, the lower section of Forest Meadows was probably the worst. Mr. Gonzales stated that they would need more than what was budgeted to complete that project. In the meantime, parts of the Ranch that they own are not being taken care of and they get washed out every time it rains. In his opinion, many things were getting worse because they were not taking care of what the membership had paid for and what the Board was responsible for.

Mr. Tyler asked Jody for his opinion as the Ranch Manager. Jody thought they should do lower Forest Meadow because it is a major ingress and egress of the Ranch in the event of an emergency.

Mr. Tyler asked about other sections of roads that need material. He pointed out that Jody can continue to grade roads to eliminate the ruts, but the cost is in the material.

Bill Obermiller thought the HOA has an obligation to everyone who lives on Forest Meadow. It is the primary route to get up and down and the road has become increasingly worse over the 24 months he has lived on the Ranch. He believed Forest Meadow was by far the worst road in the subdivision. Another property owner commented that it was part of Ranch property because it is used every day.

Mr. Tyler summarized that if they decide to do Forest Meadow they would be funding an additional \$2500 into the aggregate purchases fund, which would put them over budget on aggregate by approximately \$2500. He wanted the Board to understand that the funds would come from a source that was not budgeted for the year. He recommended taking it from the impact fees if they do not see a savings in other line items. Mr. Deaver pointed out that they would still have money left over from the impact fees to spend on other roads if they get washed out.

Mr. Gonzales thought they should follow Mr. Deaver's suggestion and talk to the people who own that property before they make a decision to move forward. Mr. Deaver thought the motion should be specific to stop at Elizabeth's corner to avoid those properties. Mr. Tyler was not opposed to including it in a motion, but he still thought they should inform the property owners.

Ms. Kreis stated that a notice should be put on the website notifying everyone that the road is going to be closed. Mr. Heath suggested putting a sign at the bottom as well. MOTION: Tony Tyler made a motion to APPROVE the Grind option the Board previously talked about for the lower Forest Meadow Road, acknowledging that it would be approximately \$2500 over budget for the aggregate and road budget which they anticipate taking from the overage in impact fees collected. Tom Deaver seconded the motion. It was Item 7b on the projects list and negates Item 5 and 7A.

VOTE: The motion passed 5-1. Mike Gonzales voted against the motion. Jody reported that he had fixed the Ranger and all of the equipment was running well.

Water Company Board Report

Mr. Tyler reported that he was unable to attend the Water Board meeting. However, he spoke with Eric Cylvick and no major issues were discussed at that meeting.

Mr. Tyler asked Carol if she knew whether or not the meters had been removed from the two properties that had their water shares foreclosed. Carol replied that both meters were removed. She reported that out of five lots, two had paid in full.

Mr. Gonzales noted that the Water Company recently installed a water meter on a lot near his home. When that was done the bar ditch filled up and a culvert pipe is now blocked. He asked if the Water Company or the homeowner was responsible. Mr. Tyler stated that the Water Company would be responsible if they blocked it. Mr. Gonzales should talk to Brody Blonquist or send him an email.

On-going Business

Ranch Signage

Mr. Tyler presented a sample of the revised sign concept discussed at the last meeting. The Board favored the revised sign. Mr. Heath stated that the cost was approximately \$30 per sign with free shipping. Mr. Deaver asked about mounting. Mr. Heath replied that he was looking into different mounting options. He had found brackets at Home Depot that would mount into the top of the pole. He explained how a sign would be mounted so it could be seen from both sides.

Mr. Tyler noted that they needed an inventory of the number of signs they would need to order. Mr. Heath believed that he had a list of all the signs and all the roads. He would work with Jody to determine what they needed.

Mr. Tyler stated that if the Board decided to move forward with new signs, they should talk about selling or auctioning off the old signs. He believed some people might be interested in having them for their cabins and it would help offset the cost of the new signs.

Mr. Tyler suggested that Mr. Heath work with Jody on the mounting system as well. He asked Jody and Mr. Heath to compile an itemized list with a total amount so the Board could make a decision. The cost would come out of the capital reserve fund. Mr. Heath estimated 120 signs at \$30 each, and approximately \$2.00 per sign for mounting hardware. Mr. Tyler stated that if Mr. Heath could give them an exact total before the next meeting the Board could make a decision electronically and officially approve it at the next Board meeting.

Rules and Regulations and Bylaws

Mr. Tyler noted that the Board needed to work on the Rules and Regulations and the Bylaws so the membership could vote on proposed changes at the Annual Meeting.

Mr. Gonzales stated that in addition to changes, the Board needed to discuss general adherence to the CC&Rs to address some of the problems they continually encounter.

When they have email discussions it is clear that some of the CC&Rs are not being read by the Board members. He noted that the CC&Rs define what the Board is supposed to be doing and he thought they needed to take it more seriously.

Mr. Tyler suggested that the Board set aside ten minutes at the beginning of each meeting to familiarize everyone with a section of the CC&Rs. As a group it would help them understand what they should be adhering to. Mr. Gonzales remarked that each Board member should already know that information because that was the purpose of being on the Board.

Mr. Gonzales stated that as he was familiarizing himself the CC&Rs he was surprised by some of the simple things such as signage on the Ranch. For example, no signs are allowed on the Ranch unless there is exception. That includes For Sale signs or signs in general.

Mr. Gonzales asked how Mr. Tyler proposed to enforce any of the CC&Rs if they do not follow them. He agreed with Mr. Gonzales that it was an issue that needed to be addressed. He offered to send the set of CC&Rs to all the Board members prior to the next meeting, and the Board could begin to review each section in detail. He would also post the CCRs online.

Mr. Gonzales noted that in the minutes the Board discussed sending Carol requests for letters, but they never heard a yea or nay on whether she would send letters to the owners for violations. Carol stated that she just assumed that she was put in charge of sending the letters. Mr. Tyler informed the Board that if they see a violation they should contact Carol with details or date, time and pictures, and she would send a violation notice to the property owner. Ms. Kreis pointed out that she and Carol meet after each Board meeting and she had forewarned Carol of their request before she heard it on the recording.

Hunting Regulations

Mr. Tyler noted that the Archery Hunt for elk had started. He reminded the Board about the Rules and Regulations for hunting and shooting in general. Mr. Deaver asked Mr. Tyler to differentiate between Summit County, State and HOA rules. He pointed out that there are different levels of rules by each entity that overlap. Mr. Tyler stated that the HOA officially does not allow hunting within the boundaries of the Pine Meadow Ranch Homeowners Association. That includes archery and bullets. The County does not regulate hunting per se, but instead regulates the discharge of a firearm. Under County rules a firearm cannot be discharged within a specific distance from a house or any permanent residential dwelling, and outbuilding associated with the residential

dwelling. Mr. Tyler noted that the regulations could be found in Summit County Ordinance #284. The ordinance states that it is unlawful to discharge a firearm within the boundaries of any populated subdivision in Summit County Utah. Mr. Tyler remarked that the Pine Meadow Ranch Homeowners Association is a recorded subdivision. The ordinance also states that it is unlawful to discharge a firearm within 500 feet of the boundaries of any populated subdivision. Based on the ordinance, there is a 500 feet buffer around Forest Meadow and Pine Meadow Ranch, and any other subdivision registered with Summit County. Mr. Tyler pointed out that the Ordinance was a firearm regulation but not a hunting regulation.

Mr. Gonzales noted that the ordinance did not apply to bows. Mr. Tyler replied that he was correct. Since they were going into bow hunting season, Mr. Gonzales wanted to know if the HOA had specific rules for bow hunting. Mr. Tyler stated that the HOA rules apply to all types of hunting in general. He thought the rules could be found in the CC&Rs. He questioned how they could enforce bow hunting if that was the case.

Mr. Tyler stated that regardless of whether or not it is spelled out in the CC&Rs, Section #5 of the County Ordinance states that it is unlawful to hunt, attempt to hunt or pursue any animal through or within a populated subdivision for the purpose of hunting or shooting such animal. Because Pine Meadow is a populated subdivision, they would be able to enforce bow hunting.

Mr. Tyler clarified that if someone is hunting or discharging a firearm within 500 feet of the subdivision or pursuing an animal through the subdivision, they should contact the Sheriff's Office because it is a Summit County violation. The DNR issues hunting permits and they should be called if someone poaches an animal or takes an animal from one of these areas.

Mr. Tyler remarked that the CWMU, a Cooperative Wildlife Management Unit, is located behind the Ranch on Lewis Peak and the legal access for that hunting area is through Morgan County. The CWMU has been accessing the area through the Pine Meadow Ranch HOA and they have operated cabins out to house hunters. He noted that a Cease and Desist letter was sent to the CWMU last year and the HOA filed a formal complaint with the DNR. The owner of the CWMU satisfied the complaint by removing all access through the Ranch and will no longer house people within the Pine Meadow Ranch HOA for his commercial activities. Mr. Tyler remarked that there has been some discussion that the same argument that was utilized to issue the Cease and Desist letter could also be applied to nightly rentals.

Mr. Deaver asked if Blue Sky allowed hunting because Boyd Petersen has leased a significant amount of land to Blue Sky. He offered to look into.

Mr. Tyler clarified that the Board would enforce the CC&Rs. Most of the regulations for the Ranch actually come from the Rules and Regulations which are living documents. The CC&Rs run with the land and any changes to the CC&Rs requires a vote by the homeowners with a 90% majority of the entire membership. Mr. Gonzales noted that the State cannot override an approved CC&R. If nothing is documented then the State law applies. However, the HOA has to accept State law as the governing document. Mr. Gonzales stated that the CC&Rs that are published requires 75% of the ownership of each area has to vote.

Mr. Tyler explained that when control of the HOA was turned back over from Summit County, the County gave them a set of CC&Rs to use and enforce. Mr. Tyler noted that originally Forest Meadow was its own HOA. However, that HOA no longer exists and everything is under the Pine Meadow Ranch Homeowners Association. Assimilating into the Pine Meadow Ranch HOA from the different areas, they all fall under one set of CC&Rs that are filed with Summit County. Mr. Tyler explained that at some point in time the Forest Meadow Ranch voted to join the Pine Meadow Ranch. The CC&Rs still run with the land to the extent that they still show up as a recorded document against the properties; but they are not used as a form of enforcement

Monthly Budget Review

Ms. Kreis reviewed the profit and loss/budget versus actual and noted that they had collected 99.3% of the annual assessment. Carol pointed out that the budgeted number was the actual invoice amount. Mr. Kreis credited Carol for the success because online payments have been efficient and people have responded very well. She also thanked Carol for working with Revenue Recovery on the past due accounts.

Mr. Kreis reviewed page 3 of the profit and loss budget report and noted that Total Fixed Expenses was budgeted at \$191,000. They have spent \$94,000 putting them at 49% of the total fixed expenses. She stated that \$75.9k was budgeted for the variable expenses and as of August 18th, they have used \$34.9k, or 46% of budget. Ms. Kreis noted that those numbers pertained to the operating budget. They also have reserve accounts and currently there was more in the reserve fund than what was projected at the Annual Meeting. They projected \$152,000 for the 2015; however, the bank details showed \$166,000 in reserve. The funds for the signage would be taken from that \$166,000.

Mr. Gonzales thought State law prohibited using reserve funds for anything other than what those funds were designated for. Mr. Tyler stated that the fund could be used for any capital improvement expense. It could not be used for ongoing maintenance items.

He explained that new signs would qualify as a capital expense; but replacing one sign out of 120 signs would be a maintenance item and would not qualify.

Ms. Kreis reviewed the unpaid bills detail. She noted that the bill from Dustbusters was the second application of mag water. They had budgeted for three applications.

Ms. Kreis referred to Carol's bill and noted that the Board had approved an audit which was currently taking place. Because Carol has institutional knowledge that she does not have only being the Treasurer for one year, Carol has been instrumental in working with Jody and Tony to make sure all the requested information has been provided to the auditors. Mr. Kreis remarked that Carol's bill was higher than normal because of the audit, and she has done outstanding, exceptional work, along with Jody and Tony. Ms. Kreis reported that Dan Heath had submitted additional items related to the sign samples that he wanted to include on the unpaid bills detail to be approved. Ms. Kreis added \$45.85 to the unpaid bills from the Traffic Sign Store, and \$21.25 from Build a Sign.

Mr. Deaver asked Carol if the Capital One credit card bill that she receives itemizes the expenses. Mr. Deaver was concerned about itemizing for the audit. Carol stated that she had already pulled all of the receipts for the auditors as detail for the Capital One statements.

Ms. Kreis asked Jody about the credit from Wheeler Machinery. Jody explained that he was given the wrong part for the grader and it was credited back.

MOTION: Pat Kreis moved to APPROVE the unpaid bills detail as discussed and amended. Tony Tyler seconded the motion.

VOTE: The motion passed unanimously.

Ms. Kreis handed out draft copies of the audit report. She noted that the purpose of sharing a draft at this point would be to have the Board members review it and email her or Carol with any questions or comments. For example, if they see something that they would anticipate in the final report but it was not in the draft, they should let her or Carol know that they would like that item addressed. Ms. Kreis stated that the auditors would continue to provide information and feedback for another month. A final audit report will be presented at the next Board meeting. Mr. Tyler stated that once they have a final approved stamped copy of the audit, it will be posted on the website and the findings will be presented at the Annual Meeting.

Mr. Gonzales recalled that the audit was sparked by something that Ms. Kreis thought

was questionable. Mr. Kreis clarified that when she and Tony were working on the budget for 2015, they had questions about how things were done in previous years and neither one had an answer. In some cases Carol did not have the answer either. Therefore, Ms. Kreis and Mr. Tyler determined that the last audit was ten years ago for three accounting years, and they thought it made sense for this Board to exercise its fiduciary responsibility to all of the property owners to make sure they know they can trust the Board in how the funds are being managed. She remarked that they simply felt that it was time to do an audit. The Board discussed it, voted on a motion, and it was approved.

Mr. Deaver asked if Carol or Ms. Kreis had read the report and whether there were any glaring holes. They both had read the report and Carol was surprised there were not more glaring holes. She stated that the Board was running the operation very smoothly and the accounting was clear and clean. The process of making motions and the process of operation had checks and balances that were in place. Mr. Kreis agreed. She noted that the auditors had asked for a long list of items, including the Articles of Incorporation and the SOPs because they wanted to know the separation of powers on the Board. They were also very impressed with the collection process because the collection fees are paid by the homeowner in arrears and not paid from HOA funds.

Mr. Gonzales thought the Board needed to discuss some aspects of the audit in an executive session because it was clear that his question would not be answered in the general meeting. Mr. Tyler asked the Board to review the draft audit and provide comment before the next meeting.

Mr. Gonzales asked if anyone was aware of construction taking place in Area 1 at Greg Pack's house that was not approved. Mr. Tyler stated that Mr. Pack was approved for a tree house and a garage. Mr. Gonzales acknowledged that he had missed a few meetings and it might be construction that was approved when he was gone. He would contact Matt Brown, the Area 1 rep, to verify whether the construction that was occurring had been approved. Mr. Tyler suggested the possibility of posting a sign on a lot that has approved construction. Mr. Gonzales did not think a sign would stop unapproved construction. It is important for people to be aware of what is going on in their area and to contact their area reps. Mr. Tyler stated that if owners or areas reps see a violation they should contact Carol.

The meeting of the Pine Meadow Owners Association Board adjourned at 8:36 p.m.

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