

FINAL

PINE MEADOW RANCH OWNERS ASSOCIATION
MONTHLY BOARD MEETING
WHITMORE LIBRARY
7695 NEWPORT WAY
SALT LAKE CITY, UTAH 84121
MAY 25, 2010

In Attendance: Hutch Foster, Bob Burdette, Dan Heath, Tom Deaver, Alan Powell, Amy Jackson

Excused: Scott Clausen, Scott Erickson, Duane Yamashiro, Bruce Hutchinson, Suzanne Larsen were excused.

Ex Officio: Jody Robinson, Ranch Manager; Freida, Revenue Recovery; Carol Steedman, Secretary

Guest: Yvette Connely, Lot PI-G-38; John Bytendorp, Lot PI-D-37

Hutch Foster called the meeting to order at 6:39 p.m.

The Board met in Executive Session due to lack of a quorum.

Approval of Minutes

Approval of the minutes of April 27, 2010 was tabled to the next meeting.

NOTE: The minutes were later approved at the end of the meeting after Amy Jackson arrived and there was a quorum.

Owner/Visitor Open Forum and other owner communications

Mr. Foster stated that Yvette Connely's matter would be discussed under the ECC Plan review.

Mr. Bytendorp had no business to discuss. He had attended the meeting for informational purposes.

Environmental Control Committee Plan Review

Yvette Connely updated the Board on plans to begin a project on Windy Ridge. Ms. Connely stated that she purchased Lot PI-G-38 a few weeks ago and would like to build this summer. Her plans will be similar to a home four lots away. It will be a log home with a dark green roof. The home will be 2,000 square feet on the main floor with a 1,000 square foot loft.

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Ms. Connely stated that a full set of plans was not ready to present, but she had a basic drawing to show the Board where she intends to place the house. She is still waiting on a survey. Mr. Foster explained that the Board could discuss her plans in general, but they need the actual survey and site plan before entering into the construction agreement.

Mr. Burdette was comfortable with the plan and believed everything fit within the guidelines of the EEC.

Mr. Foster had sent Ms. Connely a copy of the draft guidelines. Mr. Foster pointed out that the draft guidelines on the back of the agenda were the ones the Board discussed two meetings prior. He could not recall whether the Board had officially approved those guidelines or if they were waiting for a final decision on the impact fees before final approval.

Mr. Burdette reported that at the last meeting the Board had separated those two issues. One issue related to whether or not the Board favored the guidelines as drafted. A second issue was the impact fee. Mr. Foster thought the minutes were unclear as to what was actually decided. Mr. Burdette recalled that the Board had only voted on the impact fee at the last meeting. Mr. Foster clarified for Ms. Connely that the Board is on a path for revising the guidelines and the set she received may not be the final version.

Mr. Burdette asked Ms. Connely about a completion date. Ms. Connely replied that their goal is to get it dry closed and heated before the snow so they can continue working on the inside. If that time frame does not occur, it will be next June or July.

Mr. Deaver asked if Ms. Connely had architectural blueprints. Ms. Connely stated that they were waiting for them to be stamped.

Mr. Foster pointed out that most people who successfully build in a season usually pull their permitting process in February.

Mr. Deaver clarified that his question was based on the fact that the Board discourages heavy equipment on the roads after October; therefore, timing was a factor.

Mr. Foster stated that Duane Yamashiro is Ms. Connely's area representative. Unless others had concerns, he believed it was appropriate for Mr. Yamashiro to complete the paperwork with Ms. Connely. This would allow her to continue forward without waiting for the next Board meeting in June. Mr. Foster informed Ms. Connely that at the time of the final elevations, she would need to identify specific stain colors and roof colors. Mr. Yamashiro could bring those to the Board if he has questions or concerns.

Alan Powell noted that the draft guidelines were missing the bullet point regarding road damage and the responsible party. Mr. Foster replied that because it was addressed in the CC&Rs, he never intended to include it in the guidelines. Mr. Powell recalled from the last meeting that the Board had discussed adding it to the guidelines for clarification, even though it was in the CC&Rs. Mr. Foster stated that he would add it to the construction agreement.

Water Board Update

Mr. Foster had attended the last Water Board meeting and he reiterated his request for a volunteer from the Board to be the Water Board Representative from the HOA.

Mr. Foster stated that currently everything is fairly quiet with the Water Company except for two projects. One is the continued search for an additional water source to service build out on the Ranch. Mr. Foster outlined a number of different strategies being considered. The most significant is scrubbing and camera work in the Salt Box well. If it appears that Salt Box could be more productive, it might be re-drilled.

Mr. Foster stated that another major project was installing a new supply line from Aspen Ridge and cutting through the lots that run to the north of the Ranch and dropping it over to I-plat. This would provide I-plat with water from the 200,000 gallon tank and thereby eliminating the need to turn up the Forest Meadow pressure to explosive levels. Jody Robinson reported that a major water leak on Pine Meadow Drive was fixed and another leak on Forest Meadow Road would be fixed tomorrow.

Mr. Foster explained that when Jody is not busy, he frequently helps Brody Blonquist and Trevor Townsend with work they are doing for the Water Company. At the same time, when Jody is overworked, Trevor and Brody help him with Ranch work. It is a nice, complimentary relationship.

Mr. Powell asked if there were other big water leaks that caused people to be without water. Mr. Foster stated that the leaks did not cause anyone to lose water, however, water was shut off to make the repairs.

Mr. Foster reported that Catarina is having a problem where the line is freezing above her house, which has been an ongoing, mid-winter issue. The Water Company is talking about digging up the line where it might be shallow and insulating it. Speculation was that it wasn't a problem until the house above her on Forest Meadow started plowing their driveway, because the line runs right where their driveway meets the road. That is the area where they think it might be shallow. Fixing the problem is on the Water Company's project list for the summer.

Ranch Manager's Report.

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Jody Robinson stated that this past month he has been busy with water runoff and snow removal.

Mr. Robinson reported that the HOA purchased a CAT CS553 for the roller last month.

Mr. Foster clarified that the equipment repairs Mr. Robinson had identified could be done in-house. Mr. Robinson replied that this was correct. Mr. Foster pointed out that because Jody has been able to do most of the repairs they were thousands of dollars under budget. Mr. Robinson noted that the dump truck needed to be licensed at the end of the month.

Mr. Foster raised the question of other people operating equipment that is owned by the Ranch. He stated that Brody and Trevor should be covered on the equipment and property owners occasionally volunteer. Mr. Foster asked Carol to look into their insurance requirements from the standpoint of liability of the Owners Association with a volunteer running a piece of equipment. A second question is whether there would be workman's Comp issues if people are volunteers.

Mr. Robinson commented on the mag water schedule. Mr. Foster suggested that they try to start the mag water on June 21st. Mr. Burdette asked about cost. Mr. Robinson was unsure. Mr. Foster noted that the trucking cost should be less than last year because the cost of fuel is lower. Mr. Burdette stated that he was trying to squeeze the mag water budget so they would have more money for extra rock this year to repair the roads. Mr. Foster asked Mr. Robinson to check with Geary Construction on the availability of a water truck that can suck up and spray water.

Mr. Robinson stated that he looked at crack sealing and believed they could wait a year.

Mr. Foster stated that he would provide an update on the SSD later in the meeting. He still hoped that they would be turning the roads over and it would no longer be a volunteer maintenance organization. Until they know more about the SSD, he asked that Jody just keep patching the roads and to keep the patching minimal.

Mr. Burdette reported that people who live along Forest Meadow Road have complained that trucks going up and down the road have done serious damage. Mr. Foster stated that from the pictures, it looked like seasonal damaged road continues to be seasonal damaged road. He drove Forest Meadow Road and found it to be in better shape this Spring than it has been in years. Mr. Foster remarked that the Lot in question is an SS lot off Ranch, but their dumps trucks are using Forest Meadow Road. Given that the lot is actually below Pine Meadow Ranch and the shortest access to the lot is Forest Meadow, if they force the owner to drive an extra three miles over Ranch

roads, causing road damage, that poorly interprets their own rules. Mr. Foster pointed out that they cannot make an enforceable rule about a road that is not a Ranch road. Although they ask people not to use Forest Meadow Road to access the Ranch, that owner is not accessing the Ranch and the Board has very little leverage.

Mr. Foster requested that the Board submit their project lists for next season so the projects can be prioritized and Jody can obtain estimates. Mr. Foster believed there was agreement among the Board to resurface Arapaho from Valley View to Forest Meadow. Mr. Deaver requested Murdoc Loop as a road project outside of his area. Mr. Foster thought Aspen Ridge may be a priority project, but he need to look at it again before making that determination.

Mr. Powell suggested the end of Pine Meadow at the big S turns from the bottom up. Mr. Heath thought they should look at that road in terms of drainage and washout issues.

Mr. Foster stated that if owners want to purchase gravel to improve their own road, Jody Robinson would blade and roll it. Owners should first contact Mr. Robinson to make sure they purchase the right material.

Mr. Deaver complimented Jody Robinson for doing an outstanding job snow plowing.

Mr. Powell stated that Brian Zelch wanted to do roto mill in front of his house for dust control. He asked what options besides roto mill would be allowed for dust control. Mr. Foster stated that Mr. Zelch could mag water in front of his house. Roto mill is not acceptable, and even though Mr. Zelch is outside of the Ranch, the road belongs to the Ranch.

Mr. Foster stated that Mr. Zelch was welcome to attend a Board meeting to discuss his options. However, the Board consensus has been not to put roto mill on Ranch roads. According to the rules and regulations, Mr. Zelch should have written permission to do anything that modifies the roads. Mr. Foster asked Mr. Powell to make sure that Mr. Zelch is aware that he needs permission from the Board before doing anything with the roads. Mr. Robinson offered to prep the road if Mr. Zelch is interested in doing mag water.

Old Business

Architectural Guidelines

Mr. Foster reiterated that he was unclear after reading the minutes of the last meeting whether the Board had reached any consensus on the architectural guidelines. He requested that the Board discuss impact fees and the draft guidelines again this evening to make sure they all agree on the document so it can be posted online.

Mr. Foster noted that the back of the agenda contained the draft architectural guidelines

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that were discussed two months prior. At that time the discussion was tabled pending the next meeting. Since he was unable to attend that meeting, Mr. Foster asked for clarification on what, if anything, was done to the document.

Mr. Powell understood that the Board approved the draft document two months ago and that the Board was going to specifically look at the impact fee the following meeting. His understanding from the last meeting was that the Board voted and agreed upon the \$5,000 impact fee as a flat fee and there would be no rebate for winter construction. The Board also modified the documents on the website by removing the one line that said, "a portion may be refunded if there is no construction during October 31-May 1st". The Board also added to the improvement plan review and agreement the specific line from the Homeowners Rules and Regulations that says, if you damage the roads during construction, you are responsible for all repairs. Mr. Powell stated that in his opinion, that action clarified impact fees and all construction matters.

Mr. Foster asked if the Board had voted on both items. He was told that the Board has voted on the impact fee at the last meeting. Mr. Powell reiterated his understanding that the draft architectural guidelines were approved in March. Mr. Foster stated that he would include the changes in the document and post it online.

SSD Update

Mr. Foster reported that the Special Service District petition has been at the County for 16 months. In that time, they have worked through a number of legal and language hurdles. The important ones are creation of a map that defines the boundaries of the SSD. If they were to do it in a traditional way, they would have hired a surveyor to survey the boundary of everything accessed from Tollgate Canyon, which would have been a 20 or 30 mile survey at an estimated cost of \$20,000 range. As alternative, they had the County create a map based on the plats from their GIS Department. Mr. Foster believed they have a map that meets the legal criteria for an SSD petition. However, they still need to ask a surveyor to review it and sign off on it as an "as drawn map". He stated that they had managed the first hurdle short of clarifying with the County that this document is appropriate and by paying a surveyor to verify the map.

Mr. Foster stated that the next item at the County was identifying that the petition had appropriate signatures and the right percentage of signatures in order to move forward to the County Council. The County indicated that although they have not finished the official count of signatures because the map has not been officially designated, it appears that the petition has the requisite number of signatures and appropriate signatures.

Mr. Foster remarked that the next item was more difficult. The County Legal

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Department decided that they were not comfortable with Pine Meadow moving forward unless 100% of landowners who were adjacent to the road signed easements over to a potential Special Service District and gave legal right-of-way for a road that has been a public right-of-way for a hundred years. Mr. Foster stated that Ted Barnes, the attorney for Pine Meadow, believed that was not a legal requirement for the creation of the SSD and sees it as an attempt by the Legal Department to keep the SSD from moving forward.

Mr. Foster reported that to date, the potential for the SSD looks promising and most of the requirements have been met. However, County Legal has decided that they are done dealing with homeowners and HOAs on this issue and at this point they would like to move forward by dealing with attorneys who understand how to move this process along. Mr. Foster stated that he met with Ted Barnes last week to discuss several Ranch issues, but the primary reason for the meeting was to discuss the SSD. He clarified that the Board had approved a small budget six months ago to move the process forward. Since none of that budget had been used, he was comfortable taking the time to meet with Mr. Barnes. Mr. Foster requested that the Board give approval to continue working with Ted Barnes and he would continue to inform the Board and provide updates.

Mr. Foster stated that this project is at the cusp and they have the choice to either move forward to try and make it happen or walk away and consider other avenues.

Mr. Burdette recalled that the Board had approved a \$2,000 budget to see if the County would even consider the SSD. Mr. Foster explained that when the County attorneys finally say that the proposal is valid and can move forward, the next phase would be to present it to the County Council. At this point, the goal is to get the proposal in front of the County Council.

Mr. Burdette asked if they had any idea how many of the Ranch ownership want an SSD. Mr. Foster replied that what they know is from open discussions during annual meetings and online discussions. There has never been an actual poll of Ranch owners.

Mr. Deaver was comfortable spending the remainder of the \$2,000 budget to see how far they could get in the process. Mr. Powell felt that it was a worthwhile investment to try to get their proposal in front of the County Council. Mr. Burdette asked if they add an additional \$4,000 to the \$2,000 already approved, would they have a chance to get it to the County Council?

Mr. Foster explained that he raised this as an open question because they have no idea of the actual cost. The reason for leaving an open question and for him being the one

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to provide progress reports, was to move the process under his and Mr. Barnes' judgment expeditiously. Mr. Foster anticipated additional costs that could arise, including a survey of the actual road. If they hope to move forward with the SSD, they will need to spend some money.

John Bytendorp asked if the SSD would get them better roads. Mr. Foster read the requirements of the SSD. The repairs and maintenance to be performed under the SSD shall be limited to reasonable and normal road improvement and maintenance work to adequately maintain said private road easement and related drainage facilities to permit all weather access. Repairs and maintenance shall include, but are not limited to filling up chuck holes, repairing cracks, repairing and resurfacing of road beds, repairing and maintaining drainage structures, removal of snow or debris, maintaining signs, marker strips and lighting, or other work reasonably necessary or proper to repair and preserve the easement for all weather road purposes.

In response to Mr. Bytendorp, Mr. Foster was unsure how to define "better". An SSD Board would be created and owners on the Ranch would sit on that Board. Their only purpose would be to maintain those roads appropriately for all weather access. Mr. Foster thought the surface repair would be somewhat better than it is now. From that point on, maintenance should just be maintenance. Mr. Burdette understood that the SSD would also cover costs for snow plowing on Forest Meadow Road.

Mr. Foster tabled the discussion to a future meeting when more Board members are present and they would have a quorum. He noted that the text of the proposed agreement was posted online, as well as a Q & A page.

Annexation Agreement for Contiguous Lots

Mr. Foster clarified that the Ranch has had this agreement in theory since the beginning of the Owners Association, but until today the agreement never physically existed. When someone chooses to annex into the Water Company, they are required to join the HOA per a requirement of the Water Company. He would coordinate with Carol Steedman, Ted Barnes, and Eric Cylvick to make sure all the paperwork is done sequentially.

Mr. Heath asked if joining the HOA means that the owner takes on the Covenants of the HOA. Mr. Foster stated that they do take on the Covenants because it is a requirement for joining the Water Company. If someone does not want to follow that requirement, they have the option of drilling their own well. Mr. Heath asked if there would be any leeway for allowances on 40 acre lots. Mr. Foster believed the Covenants allow the Environmental Control Committee significant latitude on certain items. As an example, the Covenants say, "a **reasonable** number of horses, livestock...." Mr. Heath pointed

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out that a guest house and a caretakers quarters are allowed on 40 acre lots. Mr. Foster replied that the CC&Rs also allow for that based on lot size, but subject to the discretion of the Environmental Control Committee.

Mr. Foster clarified that annexation was not the appropriate word in this case because people are actually joining the Owners Association. The writing of the CC&Rs does not provide for annexation of outside lots. Therefore, an SS lot that is contiguous and joins the HOA will still be subject to the CC&Rs Rules and Regulations, but they are not physical annexed to the Ranch. The boundary of the Ranch will never move to encompass a contiguous lot.

Revenue Recovery Update

Frieda with Revenue Recovery, asked if the Board wanted her attorney to speak to the Board about their CC&Rs. She has been doing their collections for over a year and the attorneys have looked at the CC&Rs. Some of the accounts were difficult and needed to move forward with legal collection. Frieda commented on individual accounts in collections.

Frieda stated that her attorneys have said that the CC&Rs are standard and they could not find any issues. However, now that they are in court on a specific account, the CC&Rs are still fine, but there are a few discrepancies. One is that the latest document recorded calls for 18% interest, but it is the first dated document. The second dated document calls for 12% interest, but it is the first document recorded. She noted that this was a County Recorder issue because the dates had been swapped. A second issue is that late fees are not addressed anywhere in the CC&Rs. Because of these discrepancies, they will lose some interest and all the late fees on that account. Frieda reported that they have gone through many motions with this account and it took four months to get him served because he lives in a gated community. She explained the process that occurred and the suits and counter suits that were filed to bring them to this point. Frieda stated that the choice was for either a pre-trial or to submit a summary judgment. The only way they would get a summary judgment would be to reduce the interest to 12% and remove the late fees.

Frieda stated that after her attorney spoke with Carol, they determined the net loss would be approximately \$600-\$800. Frieda clarified that she made the decision to move forward with a summary judgement to settle the account because it has been a long and difficult process.

Frieda noted that there is a cash buyer who wants to bid on the property. He is aware that there would be an annexation fee and that the Water Company has the discretion to re-annex the water share for either the amount of the unpaid bill or the entire

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annexation fee.

Mr. Foster asked if Carol was informed on what discrepancies needed to be addressed in the Rules and Regulations. Frieda stated that she had given Carol that information. She pointed out that a number of accounts have been settled and collection fees were added, which is allowed by the CC&Rs.

Mr. Burdette felt the issue was whether or not there is an actual incentive over and above the interest charged to encourage people to pay. Carol agreed, noting that people will call and offer to pay that day if the \$25 late fee is removed.

Mr. Foster understood that the HOA only needed to re-write the fees and collections policy, approve it by the Board and record it. He asked Carol to re-write the fees and collections policies for review and possible approval at the next meeting. Frieda stressed the importance of making sure the policy was posted online once it is approved and recorded.

Mr. Foster expressed an interest in updating the new Board members on the collections situation, but preferred to do it in a closed session.

Amy Jackson arrived and the Board now had a quorum.

Paul Peters

Mr. Foster stated that Paul Peters owns a number of lots and owes the Owners Association a significant amount of money. Mr. Peters took the Owners Association all the way to the Utah Supreme Court and the Supreme Court upheld an earlier decision by the lower court. Mr. Foster noted that the decision did not set a precedent for other owners associations, but it decided that case based on the lower courts decision. Because the courts found in favor of the Pine Meadow Owners Association, Paul Peters hired a new attorney and the Owners Association was never paid. The HOA started charging fines and late fees again. His new attorney has said that even though the Supreme Court threw out the case because of the first attorney and ruled in favor of the HOA, that did not mean Mr. Peters had to pay.

Mr. Foster reported that the Owners Association is again going back to court in the Paul Peters case. Because there is a standing decision in their favor, Ted Barnes is fairly certain Mr. Peters would be responsible for recovery costs and legal fees incurred by the Owners Association.

New Business

Mr. Foster stated that Doug McCallister was working on a land area subdivision proposal for 27 lots behind the Ranch and he is requesting water service from the Water Company. Mr. McCallister's planner was at the Water Company Board meeting, which is the only reason why Mr. Foster was aware of the proposal. The Owners Association was never informed of this plan. Mr. Foster remarked that he was only providing an informational update at this point and there was no reason to discuss it until it becomes a reality. He could see no reason why the Owners Association would change their position from the last time this was discussed.

Summer Meeting Schedule

Mr. Foster remarked that similar to last summer, he felt it would benefit the Board and the Ranch community if they held their meetings on the Ranch. Mr. Deaver pointed out that a number of people they represent do not live on the Ranch full time. Holding every other meeting at the library makes it more accessible to those who do not live on the Ranch. Mr. Foster recalled from last summer that more residents and part-time users attended meetings when they were held on the Ranch. Mr. Burdette believed that 90% of those who attended were full-time Ranch residents. Mr. Deaver stated that his preference would be to meet on the Ranch, but he was considering what they should do as Board members to represent everyone and make themselves available. He felt that alternating the location every other meeting benefits those on the Ranch and those who live in the city.

Mr. Powell asked if the summer schedule would be basically meeting June and July on the Ranch. Mr. Foster replied that it would be June, July, August and September.

Due to time constraints, Mr. Foster delayed further discussion until the next meeting. Since this meeting was at the library, the June meeting would be held on the Ranch.

Monthly Budget Review

Mr. Burdette reviewed the unpaid bills totaling \$15,232.00.

MOTION: Mr. Burdette made a motion to APPROVE all the bills for payment as listed. Alan Powell seconded the motion.

VOTE: The motion passed unanimously.

Approval of Minutes

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The minutes that were tabled earlier in the meeting because they lacked a quorum were voted on after Amy Jackson arrived.

MOTION: Tom Deaver moved to APPROVE the minutes of April 27, 2010. Dan Heath seconded the motion.

Mr. Foster requested that the minutes be amended for clarification by restating the entire motion regarding the impact fee in one paragraph with the amendment, rather than being separated by the discussion.

The motion should read that the impact fee would be \$5,000 for new construction and \$2.00 per square foot of living space for additions. The impact fee would not be refundable.

Mr. Foster called for a vote on the motion with the stated clarification.

VOTE: The motion passed unanimously. Mr. Foster abstained since he had not attended that meeting.

The meeting of the Pine Meadow Ranch Owners Association adjourned at 8:30 p.m.

APPROVED: JUNE 22, 2010
