

PINE MEADOW RANCH OWNERS ASSOCIATION
RANCH MANAGER'S OFFICE
ARAPAHOE DRIVE
PARK CITY, UTAH
JUNE 23, 2009

Conversation with Scott Boyle Prior to Regular Board Meeting
June 23, 2009

Mr. Boyle met with the Board prior to the regular meeting to provide some history on the CC&R's.

Mr. Boyle noted that the CC&R's always refer to a decision from the Environmental Control Committee, which was non-existent at the time. When he became President of the Board, the Environmental Control Committee was created, which gave the Board the right to decide certain things. For example, the CC&R's talked about an acceptable number of pets so the ECC tried to define a specific number. He noted that the County breaks down the animals and number of animals you can have on an acre of land. In trying to follow the County, they ran into situations, such as the Husky team on Arapahoe, where they had 27 dogs in kennels because they were in training to run dog sleds.

Mr. Boyle commented on the process they used to define the structure of what was allowed and prohibited. He noted that the documents should identify specific styles of fences that were allowed to keep animals fenced in. No barbed wire or chain link fences were allowed. That was eventually changed to allow dog runs with the requirement that they need to be with a certain number of feet to the house.

Mr. Boyle stated that the ECC defined acceptable roof colors and materials, which was green or brown metal, aluminum, asphalt. They moved away from blue roofs and galvanized material. He stated that siding was defined as T-111 or a half log, full log. Stucco and brick were not allowed.

Mr. Boyle stated that once the ECC defined the elements, it was posted in newsletters to inform everyone. Part of the signing for building permits was a two-sided document indicating that firearms was removed from the CC&R's and there would no longer be a firing range inside Pine Meadow Ranch. Barbed wire fencing was eliminated and they defined an acceptable number of pets, which is two dogs. They followed the County's rules in terms of horses, etc.

Hutch Foster remarked that the Board is now in the process of trying to re-create the work that was done, but no one can locate the documents. Mr. Boyle understood that some of the documents were thrown away. He had given them everything he had. Mr. Foster stated that every document was sorted. Mr. Boyle stated that everything was done in the basement of his home in 2000 in West Jordan, when they sat down with Roger Barrus. The intent was to avoid

Pine Meadow Ranch Owners Association
Board Meeting
June 23, 2009
Page 2

issues with the property owners by having clear definitions to keep everything uniform and fair. When people complained that they were prohibited from doing something their neighbor had done, he explained that his neighbor existed before the rules were defined and there was nothing they could do about it.

Mr. Boyle stated that Ted Barnes has always advised that if they do not enforce something, they give up their hand because they cannot enforce it retroactive.

Mr. Foster noted that the matter has been on their agenda for months and they have been trying to either find the previous documents or recreate them. Mr. Boyle offered to write it all down for the Board because he had pictures of the different fences they used to define acceptable fences. Mr. Foster felt it would be helpful if Mr. Boyle could re-create some of the documents to give them a starting point. He had gone through the notebooks Mr. Boyle had given him, but he never found ECC information.

PINE MEADOW OWNERS ASSOCIATION

Regular Board Meeting

June 23, 2009

Meeting with Scott Boyle Concluded and the Regular Board Meeting commenced

In Attendance: Hutch Foster, Bruce Hutchinson, Dan Heath, Bob Burdette, Scott Clausen, Amy Jackson, Duane Yamashiro

Excused: Jen Kanzler, Suzanne Larsen, George Ramjoue, Scot Erickson

Guests: Ted Barnes, Ranch Counsel, Ken Jones, Lot PI-G-23; John Bytendorp, Lot PI-D-36; Don Boyce, Lot PI-68-AM

Hutch Foster called the meeting to order at 6:40 p.m.

Approval of Minutes

Amy Jackson stated that she had not received the minutes.

Since one member of the quorum had not read the minutes, approval was tabled to the next meeting.

Owner/Visitor Open Forum

Don Boyce asked if it was possible to get asphalt to fix the chuck holes down below. He offered to work with the Ranch Manager to fill in the holes. Mr. Foster stated that Mr. Robinson was thinking about doing a gravel mix and buying mag chloride to do his own mag chloride patches. Mr. Foster was willing to also look at asphalt patches and he was happy to have Mr. Boyce participate.

Mr. Boyce asked if the Board had ever discussed putting up a nice looking sign below that says Forest Meadow and Pine Meadow. Mr. Foster stated that he has heard it discussed outside of Board meetings and a number of people are interested in a beautification project at the bottom of the hill. Mr. Foster clarified that the issue has never been presented in a Board meeting as a proposal.

Mr. Foster suggested that Mr. Boyce meet with he and Jody the following morning to talk about hot patching the chuck holes.

John Bytendorp stated that the loud, noisy quads are getting out of control. His neighbor has no control over his children and they run day and night. He asked if the Board could do any enforcement. Mr. Foster replied that the Board's enforcement powers are limited. They can inform the owner that he is in violation and they can issue fines. If fines go unpaid they could take the owner to court for non-payment. However, the Board does not have police powers and they cannot impound a four-wheeler.

Mr. Bytendorp asked if rental units are becoming acceptable. Mr. Foster stated that per the rules and regulations, short-term rentals are not allowed. He noted that the rentals issue has been an ongoing discussion among the Board, but short-term rentals are still prohibited at the moment. Mr. Bytendorp suggested that if nightly rentals is a new event, the Board should take action to stop it now. Dan Heath remarked that nightly rentals is not a new event. Nightly rentals and weekend rentals have been occurring for as long as he could remember with no complaints.

Mr. Bytendorp asked if nightly rentals are addressed in the CC&R's. Mr. Foster replied that a rule against nightly rentals was recently passed by the Board, but it is not a CC&R and therefore, more difficult to enforce. Enforcement would require a lawsuit. Mr. Foster clarified that the Board is limited on their realm of enforcement because they are a Homeowners Association and not a government. Mr. Bytendorp thought that being a Homeowners Association would provide more leeway for enforcement because the majority makes the rules.

Ted Barnes, legal counsel with Clyde, Snow, Sessions and Swenson, explained that the people who originally planned the subdivision did not follow through on all the documents when the subdivision was set up, creating inconsistencies and gaps in the CC&R's. Therefore, the Association is limited on their enforcement. The Board can enforce nuisance issues and similar

matters.

Mr. Bytendorp asked if the HOA could charge an extra fee for additional road use. Mr. Barnes replied that additional burden on the roads was one reason for the new rule recently enacted by the Board. He believed this issue would be a continuing problem. Mr. Foster stated that the issue has been a substantial part of most meetings for three or four years. He noted that the Board is good about enforcing on people who want to be good neighbors. Unfortunately, approximately ten out of 800 owners on the Ranch present a problem and the Board continually struggles with those owners. They levy fines and give notification, but that is the limit of their enforcement powers. Until they become a township, they will struggle with this problem.

Mr. Foster understood Mr. Bytendorp's frustration. He stated that the CC&R's specifically address four-wheelers, which gives the Board a little firmer position, but not a lot. Mr. Foster offered to look at any suggestions Mr. Bytendorp or any homeowner presents in an effort to resolve the problem. In the meantime, the Board will do as much as they are empowered to do in hopes that it will help a little.

At 7:10 p.m., the Board and Ted Barnes closed the meeting and moved into Executive Session to discuss legal matters.

The Board resumed the regular meeting at 8:00 p.m.

Matt Brown

Mr. Foster presented a letter he received from Matt Brown that was also sent to Scot Ericksen, who was the acting area rep. Mr. Foster interpreted the letter as a formal request for an impact fee rebate and justification for why it would be deserving.

Scott Clausen stated that he had seen the photos Bob Burdette had taken but he was unclear about the road conditions. Mr. Burdette replied that there was snow on the roads at the time. He stated that during the last Board meeting, Bull Moose Drive was declared the worst road on the Ranch and that road leads to Matt Brown's property. The road has now been repaired. Mr. Burdette clarified that not all the road damage was caused by Matt Brown's construction. He was only trying to say that large trucks continually used the road in and out of Mr. Brown's property throughout the winter. The picture he had sent everyone was from his cell phone. It was a picture of a 30-foot flat bed truck exiting the property after unloading a full load of materials. Mr. Burdette remarked that the issue was not the road damage, but whether or not deliveries were made by heavy trucks after October 31st. That has always been the determining factor for deciding whether a portion of the impact fee should be refunded. Mr. Burdette

reported on other times he had seen large trucks entering or exiting the property during the winter.

Mr. Burdette admitted that he was personally more aware of this project, but that does not change the fact that Mr. Brown never came to the Board with a complete set of plans and he built without Board approval. In addition, he believed Mr. Brown had received a phony water letter from the Water Company because he is friends with the president of the Water Company.

Dan Heath remarked that Mr. Brown had not received a phony water letter. The letter only stated that water is available, but it does not indicate that water is connected. Mr. Heath clarified that the letter is given to the property owner when the County asks if water is available. He did not believe the Water Company had done anything irregular.

Duane Yamashiro felt the issue was whether Mr. Brown was in compliance with the HOA rules and regulations. Mr. Foster stated that Mr. Brown was told in the fall that if he had received heavy deliveries prior to October 31st, it would be okay to build through the winter. He felt it was appropriate to debate whether or not the trucks that came in after October 31st were heavy deliveries; but he wanted to clarify what the Board had told Mr. Brown, because he may have based his decisions on what he was told.

Mr. Heath felt this was an interesting situation because Mr. Brown had found ways to get around the Board, and that was upsetting. However, since the Board took his impact fee, they need to be legitimate and fair. Mr. Heath stated that the road was much worse before Mr. Brown put in the culvert that diverts the water. The road is junk and Mr. Heath was unsure if they could actually say that Mr. Brown had caused damage. Mr. Heath stated that if the impact fee was put in place to charge a penalty for bringing in a truck over a certain size after October 31st, that was a separate issue from just damaging the road. He felt the Board needed to discuss the intent of the fee.

Mr. Clausen recalled that the Board decided that it was too difficult to determine if a single property owner had caused damage to the road; therefore, the intent was to penalize for bringing in heavy equipment. If road damage was done, the property owner would be charged the cost for any repairs that exceed the impact fee.

Amy Jackson was unsure if all the road damage would show up immediately. Mr. Burdette stated that yesterday Mr. Brown had gravel trucks bring in aggregates to fix the damage that was done to his driveway. Mr. Foster suggested that the Board make a decision this evening. He did not think there was an opportunity for new information or a better decision by prolonging the discussion.

Ms. Jackson felt that Mr. Brown had violated the rules. She did not think the Board should make the impact fee dependent on road damage, because that is difficult to calculate. The issue is whether Mr. Brown should be allowed a waiver.

Mr. Foster stated that unless someone was interested in making a motion for consideration, he would end the discussion and move to the next item.

Mr. Foster read from the information posted online, "Fees are \$5,000 for new construction and \$2 per square foot for additions. A portion of the fee may be refundable if construction is limited to the dry season, May 1 to October 31. These fees are based on road and infrastructure impacts and are subject to review by the PMROA."

Mr. Yamashiro pointed out that the language specifies construction but it does not address delivery trucks. Mr. Foster clarified that the language he read was not included on the document that Mr. Brown had signed. The signed document says nothing about a rebate.

MOTION: Scott Clausen made a motion to refund Matt Brown \$500 of the \$2,000 impact fee, which is 25%, because there was clearly deliveries by sizeable trucks during the winter months.

Mr. Hutchinson took exception to the motion because it skirted the issue. He felt the refund should be all or nothing. The reason for the impact fee is to repair the roads if they are damaged.

Mr. Yamashiro seconded the motion.

Ms. Jackson felt it was important to understand that this refund was setting the precedent for future owners to request a refund. Mr. Heath pointed out that the language states that it is at the Board's discretion. Mr. Jackson agreed, but felt that it sets precedent.

Mr. Foster pointed out that the Board has refunded fees in the past to other property owners who built in the winter. However, they have never done a partial refund.

Mr. Heath was bothered by the fact that the Board did not have a signed document from Mr. Brown. He also wished they had before and after pictures because the road is so deteriorated. Mr. Heath felt that \$1000 would be fair, with the stipulation that the money goes back into that stretch of road. He did not believe that \$1500 was giving Mr. Brown any benefit of the doubt, since the Board was unaware of what was hauled in the trucks. Mr. Heath stated that he would vote against \$1500 but he would vote in favor of \$1,000.

Ms. Jackson asked Mr. Clausen if he would amend his motion to \$750 as a way to appease everyone. Mr. Burdette felt the issue was whether or not trucks used the roads to access Mr. Brown's property after October 31st. He requested that Mr. Clausen amend his motion to zero.

Pine Meadow Ranch Owners Association
Board Meeting
June 23, 2009
Page 7

Mr. Clausen stated that \$1000 or \$750 was too generous. Mr. Foster noted that Scott Clausen had made a motion that was seconded by Duane Yamashiro to rebate \$500 of Mike Brown's impact fee. Mr. Foster called for a vote.

VOTE: The motion failed 2-4.

MOTION: Mr. Heath made a motion to change the amount to 50-50 and refund a \$1,000, with the stipulation that the \$1,000 the HOA keeps goes directly into the bad portion of the road.

Ms. Jackson asked how much money Mr. Brown spent to improve the road in the beginning and whether it benefitted others besides himself. Mr. Heath replied that it benefitted the entire road. Mr. Foster stated that if Mr. Brown put in a 3-1/2 foot culvert he probably spent \$2,000. Mr. Burdette pointed out that the culvert was put on Mr. Brown's land because he needed a culvert to get across the creek. Mr. Heath remarked that the culvert was still a benefit because the water that always flooded the road now goes down the stream.

Mr. Foster called for a second on the motion to refund half of the impact fee. He noted that if the Board did not intend to rebate any money to Matt Brown, they should vote to take that action.

Mr. Heath's motion failed for lack of a second.

MOTION: Mr. Clausen made a motion to not rebate Mr. Brown any portion of his impact fee. Bruce Hutchinson seconded the motion.

VOTE: The motion passed 5-1. Mr. Burdette abstained.

Mr. Foster asked Mr. Clausen to inform Mr. Brown of the Board's decision, since he was the area rep.

Tommie Lecheminant, Lot PI-D-29

Mr. Foster reported that Tommie Lecheminant had contacted him asking about the money he gave Whiskey that was supposed to be reimbursed. Mr. Foster asked Mr. Lecheminant for an explanation and he was told that in 2006, Beaver Circle, at the intersection of Pine Meadow Drive, seriously needed a culvert. Mr. Lecheminant asked Whiskey to install a culvert, at which time, Whiskey told him that the Owners Association could not afford it, but if Mr. Lecheminant paid for Wilson Ranches, he could get reimbursed from the HOA. Mr. Foster clarified that this explanation came from Mr. Lecheminant and there was ample documentation to support his claim. Mr. Foster stated that he visited Beaver Circle at Pine Meadow Drive and there is a culvert. Mr. Lecheminant had presented a receipt from Wilson Ranches for a Beaver Circle culvert, as well as a cancelled check to Wilson Ranches for a culvert in that area. Mr. Foster

Pine Meadow Ranch Owners Association
Board Meeting
June 23, 2009
Page 8

noted that the HOA had not paid Jim Wilson for that culvert and it was not included on the list from the walk around.

Mr. Heath agreed with Mr. Foster, but suggested that they check the list to make sure they were not paying for the same culvert twice. Mr. Foster offered to check the records before the next meeting. Mr. Yamashiro was not comfortable holding up Mr. Lecheminant because a previous Ranch Manager acted unofficially.

MOTION: Mr. Clausen made a motion to reimburse Tommie Lecheminant in full.

Mr. Hutchinson seconded the motion with the amendment that the money would be reimbursed if Mr. Foster does not find any justification otherwise.

VOTE: The motion passed unanimously.

Greg Durkes, FM-D-147

Mr. Foster stated that according to the CC&R's, anything except a temporary structure used for construction should come before the Board. He suggested that the Board make a policy on the issue. He felt that anything too small to require a building permit should not require a fee. Mr. Foster thought the Board should review any permanent structure for colors and materials. Mr. Heath recalled that the original policy was not to charge a fee if a permit was not required by the County.

Mr. Jackson asked if the Board had defined permanent and temporary. Mr. Burdette believed that permanent is defined as a structure that sits on a foundation and is attached to the ground. A Tuff Shed might sit on railroad ties or cinder blocks. Mr. Foster stated that the CC&R's define permanent and temporary structures. In this case the CC&R's define temporary as, "when used for a reasonable period to aid in the construction of an approved structure".

Mr. Foster asked if the Board wanted to make a policy that an area rep could approve small structures without a full ECC review. Mr. Burdette was comfortable with that approach as long as the colors are consistent with the regulations. Anything outside of colors and materials that are specified in the regulations, the owner should come to the Board. Mr. Foster stated that if a shed is a permanent structure it should meet the same criteria as other permanent structures.

Mr. Foster stated that he had asked Ted Barnes to provide a copy of the annexation agreement. Mr. Foster noted that there are two versions, one is a transfer and one is for an individual with a piece of land who wants to join the water company. He noted that the Water Company bylaws state that in order to obtain water service, an owner must join the HOA, but there has never been a binding document. Now someone must actually join in a legal binding document, which binds

them to the full CC&R's, which will now be Plat-A.

Dave Haslam, Lot FM-D-144-AM

Mr. Foster reported that Dave Haslam had called him several times upset about the road conditions on Arapahoe to the east of Valley View. Mr. Foster stated that he drove the road himself when it was wet and it is terrifying. The road is in poor condition and Mr. Haslam feels that the Water Company should have been obligated to gravel that section of road. Mr. Foster remarked that returning the road to its original state was the agreement with the Water Company, however, the road did not have a gravel surface prior to being dug up. .

Mr. Foster stated that he raised the issue during the Water Company Board meeting, acknowledging that the Water Company had already graveled roads to help the HOA. As expected, Eric Cylvick was not receptive to the idea of adding more roads to be graveled. Mr. Foster was comfortable with that decision.

Mr. Foster stated that he and Jody agree that the road should be improved because it is dangerous. However, he was unsure how much the budget would allow and that would have to be considered. Mr. Foster believed it should be a project for this summer.

ECC Plan Review

There was no discussion.

George Ramjoue was not present to report on whether or not he had spoken with the County Planning Department. Mr. Foster noted that at the last meeting it was mentioned that the County Planning Department does HOA sign offs for some areas, and it would be nice if they could get on that list.

Water Board Update

Mr. Foster asked for a volunteer to represent the HOA at the next Water Company Board Meeting on July 16th. No one was available.

Mr. Foster reported that Uncle Tom's well had been scrubbed. The flow was dramatically improved but he was unable to get an updated flow rate. Mr. Foster noted that most of the weep holes in the sleeve were plugged. It was blown out and the well was flowing clear, great water running through gravel behind the casing.

Mr. Heath asked if the casing was still good. Mr. Foster replied that the casing was fine but all the holes had been plugged. If the casing was bad, they would have had to re-drill the well. Mr.

Pine Meadow Ranch Owners Association
Board Meeting
June 23, 2009
Page 10

Foster pointed out that Uncle Tom's is so old that it was originally drilled as an oil test hole. When they hit water instead of oil, it became a well. Mr. Foster stated that scrubbing Uncle Tom's was so successful that the Water Company is looking into doing the same procedure on Contact and Tollgate. Mr. Foster reported that Uncle Tom's had been running at 20 to 30 gallons. If the well can produce 60 gallons, they would technically have all the water source needed for full build out.

Mr. Hutchinson stated that if the Water Board has some down time, it would be nice to have the pipe picked up. Mr. Clausen agreed because it is very irritating. Mr. Foster stated that some roads are really messy. Mr. Hutchinson felt there was no excuse for it because the Water Company dug it up and left it strung all over.

Mr. Foster suggested that Mr. Hutchinson send a written note to the Water Company Board with his request.

Ranch Managers Report

Mr. Foster stated that he had excused Jody Robinson from the meeting this evening. After seven weeks of rain, Mr. Robinson spent a long day preparing for the mag water and Mr. Foster had sent him home.

Equipment Status

Mr. Foster noted that they need cutting blades again. Jody wore them down completely when he was getting ready for mag water. Mr. Burdette clarified that the cost to replace the blades is usually \$700.

Mr. Foster reported that the turn table still needs work. Jody has suggested doing it soon as preventative maintenance instead of waiting until it becomes broken down maintenance. Jody was unsure if they would be able to replace the seal or if they would have to change the ramp. Instead of Wheeler Machinery, Jody would like to hire Geary Construction's mechanic at a reduced rate, if possible. Mr. Foster had authorized him to pursue that.

Mr. Foster stated that the mag water was finished. The crack seal is scheduled for Thursday morning. He would talk to Jody about Don Boyce and filling the chuck holes.

Old Business

There was no discussion.

New Business

Mr. Heath recalled a previous discussion about a piece of land that was split in half. Mr. Foster stated that due to time constraints this evening, he purposely left it off the agenda. Mr. Heath stated that he only wanted to make sure the matter was not forgotten.

Monthly Budget

Bob Burdette referred to a note on the second page of the financial report indicating that Larry Long had paid in full on five lots through 2009. The amount was slightly over \$15,000, including the interest. Mr. Burdette noted that the \$15,000 collected was included in the income section.

Mr. Burdette referred to the fourth page of the financial report and noted that \$133,000 shown was the current balance in the checking account.

Mr. Burdette reviewed the current bills. He noted that there were two separate bills for Auto Owners Insurance. The bill for \$3,000 was liability insurance for the grader. The \$908 was insurance for the new truck. Those premiums are paid once a year. Mr. Burdette pointed out that the cost for having Geary Construction haul the aggregate was higher than the actual material itself. Mr. Hutchinson asked how many linear feet of Bull Moose received aggregate. Mr. Burdette replied that it was approximately 250 feet on the south facing slope. Mr. Foster noted that the amount of road was scaled back from the initial estimate.

Based on Board action not to refund the impact fee to Matt Brown, Mr. Burdette removed that amount from the bills to be paid.

Mr. Burdette reviewed the items that have already been paid, which included Jody Robinson's payroll on May 31st. It also included \$1,657 to the Utah State Tax Commission as sales tax for bringing the dump truck into the State, plus the registration fee.

MOTION: Bob Burdette made a motion to pay all the bills presented in the total amount of \$12,745. Scott Clausen seconded the motion.

VOTE: The motion passed unanimously.

Area Representative Issues

No specific issues were raised.

Mr. Foster noted that Jody Robinson has worked for the Association for one year. Last month Mr. Robinson asked the Board if they would consider paying 80% of his dental premium. Mr. Burdette remarked that typically after one year the Board would look at giving Mr. Robinson a raise or a cost of living increase. He noted that based on statistics, the cost of living has decreased

Pine Meadow Ranch Owners Association
Board Meeting
June 23, 2009
Page 12

and a cost of living adjustment would not make sense. Mr. Burdette felt their evaluation should focus on the job Mr. Robinson has done this past year and whether the Board wants to recognize that in some form. In discussions with Mr. Robinson, Mr. Burdette believed the dental insurance was slightly over \$100 per month.

MOTION: Mr. Burdette made a motion to pay 80% of Jody Robinson's dental insurance, the same as they do with his health insurance, in recognition of his value and commitment to the Ranch and the service he has done. Dan Heath seconded the motion.

VOTE: The motion passed unanimously.

Mr. Hutchinson reminded everyone that this was the month to submit for mileage reimbursement.

The meeting of the Pine Meadow Ranch Owners Association adjourned at 8:57 p.m.
