

PINE MEADOW RANCH OWNERS ASSOCIATION
MONTHLY BOARD MEETING
TAYLORSVILLE LIBRARY
4870 SOUTH 2700 WEST
SALT LAKE CITY, UTAH 84109
MARCH 19, 2013

In Attendance: Tony Tyler – President; Dan Heath – Vice-President;
Honey Parker – Secretary; Bob Burdette - Treasurer, Tom Deaver (Area 4); Mark
Hodgson, (Area 5); Jeff Hubbard (Area 2); Mike Gonzales (Area 6);
Alan Powell (Area 3)

EX OFFICIO: Jody Robinson, Ranch Manager.

Matt Brown (Area 1) was excused. Nick Boyle (Area 7) was absent.

Guests: Keith Trickett and Paul Charwell, neighbors to the Ranch; Doug McAllister, Lot
D-13; Todd and Heidi Bowers, Lot E-19; Tom LeCheminant, Lot D-29; Bill Groot and
Cheryl Groot, Lot 78-AM

Tony Tyler called the meeting to order at 6:30 p.m.

Approval of Minutes – February 19, 2013

Approval of the minutes was tabled. Carol was asked to re-distribute the minutes to the
Board members for approval at the next meeting on April 16th.

Owner/Visitor Open Forum and Other Owner Communications

Keith Trickett had questions regarding water and a recent letter that was circulated by
Horrock's Engineering, which talked about the interest the Ranch and the Water
Company has in drawing water from the Amoco Well at the junction of Oil Well Road
and Forest Meadow Road. Mr. Trickett noted that it was within a few yards from where
he draws water.

Mr. Tyler informed Mr. Trickett that the Pine Meadow Mutual Water Company is a
separate entity; therefore, the HOA has no control over water on the Ranch or off the
Ranch. Mr. Trickett clarified that his interest related to the access to the well that was
implied in the letter. It was a question of who has access to the water from that well and
to what extent. He pointed out that currently the well output is limited and he could
personally verify that there was very little water in that area. He had to drill a new well
two years ago because his first well dried up. Mr. Trickett wanted to know the interest
of the HOA and to what extent he would be affected. He was interested in doing
something that would be mutually successful if it was possible.

Mr. Tyler told Mr. Trickett that Eric Cylvick, President of the Water Company, would be

able to answer his questions. He encouraged Mr. Trickett to attend a Water Board meeting which are typically held on the 2nd Thursday of every month on the Ranch. Mr. Tyler told Mr. Trickett that from attending the Water Board meetings he understood that the Water Company has water rights that are divergent over the Aspen Ridge well. Mr. Trickett clarified that he had checked with the Water Authority and found that the Pine Meadow Mutual Water Company owns 10 water rights at the well site that were only registered in May 2012. He understood that the access to the well was in question, which he thought would be a matter for the Owners Association. He has spoken with John Foster who was currently looking after the water for Aspen Ridge and he found the situation to be very unclear. As he understood it, the HOA had expressed an interest.

Mr. Tyler informed Mr. Trickett that the Owners Association has no interest in water. He would research the access rights issue; however, he was unaware of any Ranch ownership easements that are off Ranch. He believed that issue should be addressed with the Summit County Building Department.

Mr. Trickett explained that the issue only came up a week ago when he received a letter from Horrocks Engineering informing him that there could be problems resulting from the well inspections. Mr. Tyler appreciated Mr. Trickett's concerns, but the Owner Association does not have the purview to handle water issues.

Mr. Trickett provided Mr. Tyler with a copy of the letter he had received from Horrocks Engineering and a copy of his reply.

Paul Charwell stated that he is a neighbor of Mr. Trickett. He has his own well but he had not received the letter from Horrocks Engineering. He had attended this meeting to hear the Board's response to Mr. Trickett's questions. Mr. Tyler again encouraged Mr. Trickett and Mr. Charwell to attend a Water Company Board meeting. If they were unable to attend, they could email their questions to Eric Cylvick.

Ranch Manager's Report.

Jody reported that he was still plowing snow and trying to get everything to drain for the spring runoff.

Mr. Tyler asked if it was worth identifying areas where they may need to install additional culverts to keep from damaging the road in certain sections. Jody stated that he intended to look at culverts this summer after the runoff. Mr. Tyler suggested that Jody take pictures of the runoff to see how the water was draining in various places. Jody replied that things were good up to the gravel pit and he had no concerns on that section. The rest was still snow covered but he would watch the drainage.

Mr. Tyler asked the Board members to observe their areas as they approach the spring and summer seasons, and report anything they think should be added to the project list at the next meeting.

Mr. Deaver commented on a potential problem on Arapaho Road resulting from a small plugged culvert. Jody noted that the culvert was clean, but it was full of ice that was not melting. Mr. Deaver asked if gravel could be laid on the road where water is flowing over the top. Mr. Tyler suggested that Mr. Deaver put that on his list for the next meeting.

Jody asked if he should only purchase one mirror for the intersecting roads at the bottom of the canyon as they had discussed at the last meeting. Mr. Tyler stated that Matt Brown (Area 1) had researched the mirrors and had sent a link to the Board members. He preferred to wait until Mr. Brown was in attendance to hear his comments since he had raised the issue with the Board. Jody had information on prices and sizes. He would give it to Mr. Tyler to be scanned and emailed to the Board members.

Jody requested to bring his summer helper on the first of May, like they did last year. Mr. Burdette asked if Jody had a proposed hourly rate for his helper. Jody assumed it would be the same \$14 per hour that they had paid Brandon. Mr. Tyler asked if it was a line item in the budget. Mr. Burdette replied that the Board had budgeted approximately \$8,000, but he could not recall the actual amount paid.

MOTION: Tony Tyler made a motion to hire Hutch Foster as the summer helper at \$14.00 per hour, not to exceed the \$8,000 budget, assuming that Mr. Foster accepts the offer.

Mr. Burdette noted that the breakdown of \$8,000 was 30 hours per week for 12 weeks; May, June and July. Mr. Deaver asked if 30 hours a week would subject the Association to the new Federal Health Care law. Mr. Tyler believed that Mr. Foster would be a contract employee and healthcare would not apply. Mr. Burdette explained that since Mr. Foster would be using Ranch equipment and his work would be supervised by the Ranch Manager, he is considered an employee and taxes are withheld from his payroll. It was pointed out that with payroll taxes, the summer helper actually costs the Association more than the \$14 per hour salary. With taxes, the total amount was \$19.60 per hour. Mr. Tyler recalculated the hours based on the budget and taxes and determined that the actual time was 10 weeks of work instead of 12 weeks.

Jody asked if the Board could budget additional money. Mr. Tyler stated that they could increase the budget, but it would be at the expense of another budget item.

Mr. Deaver reiterated his question regarding healthcare. Mr. Powell noted that the Healthcare law did not take effect until 2014 and the Association was not subject to the requirement with only two employees.

Mr. Tyler suggested additional research on the healthcare requirements for a seasonal, full-time employee, including the tax rates, for discussion at the April meeting before hiring Mr. Foster on May 1st. Mr. Powell pointed out that the healthcare would not affect a seasonal employee this summer because it was not effective until 2014. Mr. Burdette noted that full-time means that they have to treat all employees the same. Mr. Tyler thought they should confirm the 2014 date before making the offer to Mr. Foster. Mr. Tyler asked Mr. Burdette to research the healthcare requirements for the next meeting.

Mr. Tyler withdrew his motion.

The issue was raised as to whether \$14 per hour was sufficient considering the help they were getting this year. Mr. Tyler asked Jody to estimate how many hours he needed for help this summer. Jody stated that he needed 40 hours per week, four weeks each month for four months. Mr. Tyler calculated that to be 640 hours. Mr. Burdette would calculate the numbers and determine if the budget could be increased. He would email the Board members with the information.

Mr. Tyler noted that the Board had already approved the budget and discussed hiring Mr. Foster at the last meeting.

Mr. Deaver stated that if Mr. Tyler wanted to remake his motion, he would be willing to second it contingent on the budget that was approved. If the budget needed to be increased, the Board would have to approve extending the budget beyond \$8,000 so Jody and Mr. Foster would know what to expect. Mr. Tyler told Jody to inform Mr. Foster that he could start on May 1st and that the Board was still working out the details.

Mr. Tyler preferred to wait and approve the expense once they have an exact number. The next meeting was April 16th, which was two weeks prior to Mr. Foster's start date.

Water Board Update

The Water Board had postponed their meeting to March 21st so there was nothing to report. Mr. Tyler would attend on March 21st and provide an update to the Board from both the March and April meetings at the next meeting.

On-Going Business

Deer Meadows Subdivision Proposal

Mr. Tyler reported that the Board had received the Amended and Restated Agreement from Ted Barnes outlining the details that the Board had discussed over several meetings. The Agreement restates the details from the 2007 agreement, and includes modifications that pertain to the current proposal that Mr. McAllister has submitted to Summit County. In addition, Mr. Barnes had provided the deed restriction document that would be signed as an Exhibit B to the contract, which outlines what the sending lots may or may not be used for. Also included was the notice of the Re-investment Fee Covenant. Mr. Tyler remarked that he has incorrectly referred to it as a transfer fee, but it is actually a re-investment fee. As he was made aware of this morning, as of March 2010, any re-investment fee covenants are not allowed to exceed .5% per State Statute. Mr. Tyler pointed out that the original proposal was 1% and he wanted everyone to be aware of the change.

Mr. Tyler had read the documents and redlined his comments before sending it to the Board members. He believed they were at the point where all the documentation was in place and it was time for the Board to make a decision one way or the other on the project so Mr. McAllister would know his direction moving forward.

Mr. Deaver noted that the original agreement on the website talked about not allowing short-term rentals; however, that was deleted from the final copy. Mr. McAllister noted that rentals and other issues would be addressed in the development agreement. He was not opposed to having it in this Agreement if the Board would be more comfortable. Mr. Deaver asked if Mr. McAllister was comfortable with prohibiting short-term rentals. Mr. McAllister replied that he was in agreement with all the details he and the Board had discussed in previous meetings.

Mr. Tyler clarified that no short-term rentals would be a stipulation within the Deer Meadows CC&Rs that would be recorded against their properties. Mr. Deaver asked if this document should specify that Deer Meadows would include it in their CC&Rs. Mr. Tyler replied that it could be a condition to their letter to Summit County. Mr. Deaver thought it should also be mentioned in the Ranch documents to make sure it is part of the agreement with Summit County. Mr. Tyler noted that Summit County has requested input from the Ranch throughout the entire process and he was not concerned about

back door deals between the County and Mr. McAllister.

Mr. Burdette agreed with Mr. Deaver that if they are redundant in stating the issue, it would protect rather than hurt them. If for some reason short-term rentals are not prohibited, it would create a problem for the Ranch. Mr. Burdette clarified that the Board was not implying a problem with trusting Mr. McAllister. The problem is with the existing ownership within the Ranch and short-term rentals. Mr. McAllister stated that he was fine with specifying the prohibition two or three times in various documents because he had agreed to it.

Mr. Tyler stated that they would make a condition to add the prohibition of short-term rentals to the Amended and Restated Agreement, defined as under 30 days, and that Deer Meadows would include that prohibition in their CC&Rs. Mr. McAllister agreed.

Mr. Tyler noted that the parcels defined in the proposal are intended to be annexed into the Pine Meadow Ranch Owners Association as part of the agreement. That includes Uncle Toms and the blue roof cabin. Mr. McAllister could not see where Ted Barnes had included the blue roof cabin in the agreement.

Mr. Deaver pointed out that Mr. McAllister no longer owns the blue roof. Mr. McAllister replied that the owner had signed on to this project. Mr. Tyler noted that the blue roof was SS142-E-2-A. Mr. McAllister stated that Mr. Barnes tried to name the seven parcels that would have a lot transferred to, and the blue roof would not belong in that list. However, it should be included in terms of agreeing that it was part of the HOA. Mr. Tyler remarked that the lots are intended to be replatted and this agreement covers the entire 117 acres of legal parcels. That entire parcel is known as the receiving property, and once it is replatted the sending lots send their density to an individual replatted lot within the entire Deer Meadows area. Mr. Tyler believed it could remain as it is currently because the agreement still covers the entire parcel.

Mr. McAllister stated that the plan moving forward is to plat the land incrementally. It would not be platted all at one time. Mr. Tyler noted that how it is platted is between Mr. McAllister and Summit County. Mr. McAllister thought it was better to treat the blue roof cabin as a lot of record and to mention it in a different way than the ones that building rights are being transferred to. Mr. McAllister clarified that there would be eight separate properties, including the blue roof property. Mr. Burdette pointed out that the agreement only mentions seven properties. Mr. McAllister stated that that the eighth is the blue roof property. The agreement talks about the seven lots that would accept the transfer of building rights, but it does not mention the building right that is already there, which is the blue roof property.

Mr. Tyler believed it was a definition issue. They were currently working with the Tax Parcel IDs that would be wiped away with the replatt, and it would become lots 1-8. Exhibit A would define Lots 1-8, even though the receiving property is the entire parcel on the tax parcel side. They could not define the blue roof parcel as a lot because it currently does not exist. Mr. McAllister stated that on the tax records, the 17 acres of the blue roof property is described separately than the other 100 acres. He thought it might be possible to plat it separately. Mr. McAllister clarified that he did not disagree with anything, but he did not think it was clear in the agreement. Mr. Tyler would work with Ted Barnes and Mr. McAllister to clarify that the blue roof parcel is included in the annexation to the Pine Meadow Ranch Owners Association, but it is not receiving a density right from one of the sending lots from the Pine Meadow Ranch Homeowners Association. Mr. Tyler pointed out that lot SS142-E2-H does not exist. Mr. McAllister explained that it is a 45 acre piece that is supposed to be GNH, but it is just G.

Mr. Tyler informed Mr. McAllister that the Board would either need the corporate agreement from Deer Meadows authorizing him to obligate that lot, or they would need to have David Nichols' signature on the Restated agreement. Mr. Tyler added a signature line for David Nichols.

Mr. Tyler reviewed additional changes he had made to the document and noted that they were primarily grammatical changes or housekeeping issues.

Mr. Deaver asked if they should differentiate between culinary water for the houses and the fire control flow water, for people in the future who may not understand the difference. Mr. Burdette suggested eliminating the word "culinary" so the language would read "water infrastructure" to include both.

Mr. Tyler referred to Recitals paragraph B and noted that the Board has discussed through the course of their meetings whether or not they would maintain no position and remain neutral on this proposal as it pertains to the Summit County proposal, versus supporting the proposal. The question was whether they wanted to set a much higher bar for the precedent of future developments to go through a similar process.

Mr. Tyler referred to paragraph 1 of the actual agreement, stating that on execution of the Amended and Restated Agreement with Deer Meadows, that the Pine Meadow Ranch CC&Rs would be concurrently recorded in addition to this agreement.

The question was raised as to whether Pine Meadow Ranch would be responsible for maintaining the roads inside Deer Meadows if the Deer Meadow owners join the Association and have the same rights as Pine Meadow owners. Mr. Tyler understood that the Deer Meadows CC&Rs would cover maintenance of the interior roads. Mr.

McAllister replied that it was never his intent for Pine Meadow to maintain Deer Meadows roads. Mr. Deaver asked if they needed a side document outlining the actual intentions for further interpretation in the future. Mr. Tyler replied that there would be no side documentation. Mr. Deaver recalled that Mr. McAllister previously agreed that he would join whatever PMEEF area there was for winter access. Mr. Tyler noted that the decision was outside the purview of this Board. Mr. McAllister offered to put that in the development agreement.

Mr. Tyler stated that the letter he writes to Summit County would have the Board review of the draft development agreement.

Mr. Deaver clarified that he was not concerned with Mr. McAllister. His issue is making sure someone in the future cannot interpret the documents differently than how it was intended. The CC&Rs currently on the entire mountain are vague and definitely open to interpretation and that has caused them problems.

The Board members raised questions and concerns regarding the risks and potential expense that could be incurred once Deer Meadows owners join the Association. Mr. Deaver thought it was important to have a paper trail legal document to specify exactly how the Deer Meadow lots would be handled and which roads the Owners Association plows in the winter and maintains in the summer. Mr. Burdette pointed out that some Ranch owners access their property without driving up Tollgate and they do not get plowing in the winter by the Owners Association. That is just the way it is because Association has chosen to plow one road. This Board had the purview to make a different decision to plow additional roads. Mr. Tyler agreed that Boards can make changes, which is why he did not think they needed specific language in this particular agreement that only pertains to eight lots. Mr. Tyler was comfortable with the language as written because the Deer Meadows lots would not be treated differently than any of the existing lots.

Mr. Deaver stated that Mr. Tyler had accomplished what he was looking for by stating the intent of the agreement in the official minutes.

Mr. Burdette referred to Section C and noted that with the old agreement there was a misunderstanding as to whether the lots, whether approved by the County or not, would become part of the Owners Association. In his reading of Paragraph C, that misunderstanding is still there. The language states, "Regardless of whether Summit County approves the subdivision of the property, Deer Meadows has agreed to join the receiving property to Pine Meadows and to submit it to the jurisdiction of Pine Meadow so that it and its successors and interest will hereafter enjoy the same rights and responsibilities." Mr. Burdette asked if it was saying that one lot was joining the Owners

Association or eight lots were joining the Association.

Mr. Tyler clarified that the alphabet numbers were recitals from the original 2007 agreement. The amendments were in the numbered agreements. He referred to Item 1, "Deer Meadows and successors in law hereby submits, dedicates and....as of the date the Deer Meadows subdivision is approved by Summit County or ____". Mr. Tyler had filled in the blank with July 1st. Regardless of how Summit County handles this, he would have a date listed because in the event that the subdivision is not approved, each lot would be charged an assessment prorated for the portion of that year's assessments and then thereafter on an equivalent basis. Mr. McAllister objected to that as being different than what was stated in the agreement and something he had not had the opportunity to discuss.

In response to Mr. Burdette, Mr. McAllister stated that his understanding of the agreement, and confirmed by Ted Barnes, was that the property itself joined the Pine Meadow Ranch. Mr. Burdette asked if it was all 117 acres. Mr. McAllister replied that it was 6 new lots. That property became part of the purview of Pine Meadow Ranch, but until specific lots existed, no dues were owed because there were no lots to pay dues. Mr. McAllister felt strongly that the same understanding remained. When there is a lot it begins to pay dues. Without a lot no dues are owed. Mr. McAllister stated that his intention is to move the development fairly slowly because of the market. It could be a number of years before the property becomes true lots.

Mr. Deaver asked if the property would only become a true lot if Mr. McAllister has a buyer. Mr. McAllister answered no. It would become a lot when it is platted with Summit County. When a lot is eliminated in Pine Meadow and transferred to Deer Meadows, it would become a lot of record. At that point the lot should be assessed dues. Mr. Tyler understood that because there are no development rights currently associated with those lots, for all intense and purposes they cannot be used and should not be assessed. Mr. Deaver asked if Mr. McAllister was looking at two years, seven years or when. Mr. McAllister replied that per Summit County requirements a percentage of the lots must be platted within a specific time frame. He was unsure about the other lots because it would depend on the market and whether people are interested in transferring their development rights. Mr. McAllister stated that it could be as much as ten years before some of those become lots of record.

Mr. Tyler asked about timing for assessing dues on the blue roof cabin and Uncle Tom's. Mr. McAllister replied that he was fine with assessing dues on the blue roof this year. He preferred to keep the language in the original agreement in terms of prorating.

After further discussion, Mr. Tyler felt the matter needed further clarification. He

assumed that the lot would become assessable upon the date that they become an existing lot of record, which means as soon as this agreement is signed, the blue roof parcel would be prorated from that effective date. He understood that future plats would be recorded upon removing the density right from Pine Meadow Ranch and adding the density right and creating the lot in Deer Meadows, and the date that document is recorded would become the prorated date for assessments for that particular lot. Mr. McAllister stated that for clarity, he would specify that it is the date the lot is platted and recorded with Summit County.

Mr. Deaver, asked if the lot of record would be made the same day the development right is transferred from Pine Meadow to Deer Meadow. Mr. McAllister assumed that transactions would take place and documents would be signed prior to recording the plat. He pointed out that the Association would not lose money because dues would still be assessed on the Ranch lot until the development right is actually transferred to the sending lot.

Mr. Gonzales asked if building rights are taken from a lot whether that lot would continue to be assessed. Mr. Tyler believed that would be an issue between that particular lot owner and the HOA. Mr. Burdette stated that it would continue to be assessed as long as it is a separate lot. Mr. Deaver pointed out that the dues are actually a road access fee to help maintain the roads. The owner would still have access to a piece of land they could not build on. Mr. Deaver thought the Board needed to address the issue of an owner giving away their rights on a standalone piece of property but still having to pay the vacant land rate. However, that should be a future discussion but not one that affects their decision on Deer Meadows. Mr. Deaver clarified that his issue was trying to pinpoint exactly when those new 6 lots would begin paying HOA fees.

Mr. Deaver presented various scenarios regarding the transfer of development rights that caused him concern. He noted that selling the development right would become a contract negotiation between the buyer of the building right and the seller of the building right, and the seller may want Mr. McAllister to replat right away so he would not have to continue paying the fees.

Mr. McAllister stated that if he delays platting a lot, part of the agreement is that he would pay the fees until he records the plat. Mr. Deaver was satisfied that Mr. McAllister had made that statement on the record. Mr. McAllister clarified that he was trying to avoid having to pay the assessment on six lots before they become recorded lots of record.

Mr. Tyler asked Mr. McAllister if he would be willing to accept a specified future date

where regardless of his status on platting the project with Summit County, all lots within Deer Meadows would become assessable lots. Mr. McAllister objected because he could not understand why they would do it. It was possible that some things may never happen and it would remain empty property. If it never becomes a lot there would not be a problem.

Mr. Tyler understood that upon execution of this agreement the blue roof parcel would immediately become an assessable lot at a prorated share and full assessment each year thereafter. Upon the date that the plat is recorded creating the lots with the building density right within Deer Meadow, pursuant to this agreement and the development agreement with Summit County, that date will become the date at which that particular lot is assessable. He clarified that the only way a sending lot would stop paying the assessment is if it is combined with an adjacent lot.

Mr. Deaver agreed with what Mr. Tyler had stated. However, Mr. McAllister was representing that he has authority to represent Mr. Nichols, the owner of the 17 acres with the blue roof house, and he wanted clarification on the official record that this was true. Mr. McAllister stated that it was true. Mr. Tyler pointed out that Mr. Nichols would have to sign the agreement. Mr. Deaver understood, but Mr. Nichols was not part of the negotiations to have a say in the details.

Mr. Tyler summarized that the July 1st date he had added would be removed. He would clarify that the blue roof lot, SS142-E-2-A, would become assessable immediately upon execution of this agreement. The remaining seven lots would be assessable and, therefore, deemed lots of record on the date of the recordation of the plat creating that as a legal lot. Mr. Tyler stated that pursuant to the 2007 agreement, the property is already part of the Pine Meadow Owners Association with assessments only being due when the lot becomes buildable.

Mr. Burdette asked for the status of Uncle Tom's. Mr. McAllister noted that the agreement states that the first transfer would be Uncle Tom's; however, that was not something they talked about. He did not see this as an advantage for the HOA because regardless of where he puts the first lot, the HOA gets the same amount of money. Mr. McAllister stated that Uncle Tom's is his most valuable lot and he would not want to sell it in this market. He preferred to leave out any specifics in terms of which lot has to be platted first. Mr. Tyler explained that Uncle Tom's currently exists and it is usable as a cabin, despite the fact that it does not have a building right to be there. The Board thought it was important to legitimize the use that was already occurring on the lot. Mr. Tyler stated that based on his conversations with Kimber at Summit County Planning, he assumed the County would require Mr. McAllister to do that. Mr. McAllister wanted to know how legitimizing the existing use would help the HOA. Mr. Tyler replied that the

lot is usable with a cabin and someone could use it without having to pay assessments. They would be using Ranch roads but the Ranch would not be collecting road dues.

Mr. Burdette remarked that another issue was that if Mr. McAllister transfers six building rights from Pine Meadow Ranch to six lots in Deer Meadows and never acquires the seventh right for Uncle Tom's, the Owner's Association would have no recourse to force him to do it. Mr. McAllister stated that he could not sell the land and it is not a lot of record so there would be no reason not to acquire the right. Mr. Burdette pointed out that it is a non-conforming use that the Board would like to rectify. Mr. Tyler suggested a date 5-10 years in the future as a deadline for Uncle Tom's if it is the last lot. Mr. McAllister was comfortable with that suggestion. Mr. Burdette pointed out that Uncle Tom's is an existing property. Mr. McAllister replied that it is not a lot of record. It could not be remodeled and he could not sell it. Mr. Tyler understood that Uncle Tom's was caught in a gray area, but the reality is that it can be used.

Mr. Powell suggested that they bring Uncle Tom's into conformity by either making it the first lot or starting the assessment at the time of the agreement the same as the blue roof lot. It is an existing building that is being used, which makes it the same situation as the blue roof house. Mr. McAllister was willing to start paying the assessment of Uncle Tom's concurrently with the blue roof parcel upon executing the agreement. He clarified that he was not trying to avoid the assessment, but he was concerned with having to pay property taxes on a \$300,000 lot. Mr. Tyler remarked that paying the assessment on Uncle Tom's would satisfy the Board without creating property tax issues. Mr. McAllister concurred.

Mr. Tyler stated that since there was no data on how the cabin is used, the Board would rely on Mr. McAllister to provide that information so the Association could assess the proper amount based on the fee structure. Mr. McAllister thought they should plan on assessing the part-time fee. If that changed he would like them know.

Mr. McAllister noted that Item 5 referenced fee for payment of common expense and reserves benefit for burdened property including commons, etc. He understood that to mean that Deer Meadows is the burdened property. He understood that the Association could do whatever they wanted with the money irrespective of Deer Meadows. He asked if they wanted that language in the agreement. Mr. Tyler explained that the burden is on Deer Meadows for the reinvestment fee covenant, but since it is part of the Pine Meadow Ranch Owners Association, Pine Meadow shall use the reinvestment fee to benefit the burdened property. Mr. McAllister thought the language as written implied that the money has to benefit Deer Meadows. Mr. Tyler agreed. He removed "burdened property" and changed the language to state, "Reserves to benefit the Pine Meadow Ranch Owner Association."

Mr. Burdette noted that Paragraph 2 states, "Sending lot may be transferred to the receiving property where they may be utilized to support the improvement of lots 1 through 7" He asked if that should remain 1-7 or changed to 1-6. Mr. Tyler replied that it would still be 1-7 because Uncle Tom's would still need a building right. Mr. Burdette further read, "...specifically, including the right to construct one single family home." He understood that the building right being transferred is the right to construct a home plus a guest house and a garage. Mr. Tyler reworded to language to state, "A singular building right pursuant to a lot of record for each lot." He would verify the revised language with Ted Barnes.

Mr. Burdette referred to language in Paragraph 5 which talks about types of transfers. "For purposes of this paragraph, a transfer shall mean whether in one transaction or in a series of related transactions, any sale, conveyance, assignment, lease or other transfer of any beneficial ownership interest." Mr. Burdette questioned whether the .5% transfer fee would apply if a Deer Meadows property was leased for a year. Mr. Tyler revised the language to say any lease greater than two years. Mr. Burdette had questions regarding "series of related transactions." After discussing types of transactions, Mr. McAllister suggested saying, "a lease greater than 5 years". If the same person leases it more than five years it would be considered a related transaction and subject to the .5% transfer fee. He did not anticipate that anyone would lease for more than five years.

Mr. Burdette read from Item 2, "The transfer of more than 50% of the outstanding shares of the voting stock of a corporation." He used an example to show how he could transfer 75% of his property without transferring more than 50% in any one transaction. Mr. Burdette noted that if the corporation is the owner, the HOA would never know when transfers occur and who owns the stock. It would be the same situation with partnership joint-ventures. Mr. Tyler suggested changing the language to read, "The transfer either in a single or series of transactions of more than 50% would trigger .5% transfer fee." Mr. Burdette reiterated that they would never know if the transfer occurred. Mr. Tyler was unsure if there was a way to resolve the issue. Mr. Burdette noted that they could require an affidavit to be supplied by the beneficial owner of each of the properties. Mr. Tyler agreed that if it is owned by a corporation they could require a new affidavit every year from the corporation naming the beneficial owner. Mr. Tyler proposed language, "Require an annual affidavit from all entities, not individuals, showing beneficial ownership."

Mr. Burdette read from the agreement, "No reinvestment fee shall be payable and a transfer shall not be incurred with respect to: 1) the creation of a trust deed or mortgage; 2) an involuntary transfer." He agreed with the first point and disagreed with the second

point. He cited an example to explain an involuntary transfer and how it could negatively affect the HOA. Mr. Tyler agreed and removed "involuntary transfer." Mr. Burdette referred to language addressing a transfer that results from a court order. He cited an example of a divorce decree where one person gets the property. Mr. Tyler was comfortable with that language because it would be dividing ownership between a husband and wife. Mr. Burdette pointed out that bankruptcy could be another court order transfer. Mr. Tyler noted that a bankruptcy would be handled by a financial institution which would also be covered under Number 6, transfer agreement for property by a financial institution. Mr. Powell thought the word "by" should be replaced with "to" a financial institution.

Mr. Burdette read, "Pine Meadow shall have the right to determine in its sole and exclusive discretion, whether a transfer has occurred for the purpose of levying a reinvestment fee." He did not believe they had that right. Mr. Tyler pointed out that it was a standalone agreement with Deer Meadows. Mr. Burdette stated that they would be collecting on something that they legitimately do not have the exclusive discretion to determine. Mr. Tyler remarked that it would be up to the owner at the time to challenge their action and the Board could re-evaluate. Another option would be for the owner to sue the HOA for a court ruling, but he did not believe that would occur over a .5% transfer fee.

Mr. Burdette questioned why the transfer fee is paid by the buyer and not the seller. He believed it would be harder for the HOA to collect the fee from the buyer who had just spent money to purchase the property. Mr. Tyler remarked that this Agreement would be recorded against the lots. Therefore, the title company would discover the transfer fee regardless of who pays it.

Mr. Tyler stated that once the revisions are made and verified with Ted Barnes, he would email a copy to the Board members for final review. Mr. Deaver asked if the agreement could be shared with Ranch residents. Mr. Tyler left it to the discretion of Mr. McAllister. Mr. McAllister did not have a problem sharing it with the Ranch owners. Mr. Heath recommended that Mr. Tyler post it on the website. Cheryl Groot, Lot 78-AM, stated that this was the first "nitty-gritty" that she had seen occur and she was feeling very positive. She was very impressed with the agreement and thanked everyone for their efforts. Mr. Groot asked if Summit County could change anything that has been agreed to.

Mr. Tyler stated that once the agreement is signed and executed Summit County could make changes regarding the development, but it would not change the Owner Association's agreement with Mr. McAllister as defined in the documents.

Ms. Groot asked about the next step in the process and whether the Board would vote on it at the next meeting. Mr. Tyler believed the Board had reached the point where they could vote this evening.

Ms. Groot wanted to know if someone would attend the County meeting to represent the HOA or if Mr. Tyler would just send a letter. Mr. Tyler replied that he would send a letter and also attend the meeting. If he is unable to attend he would make sure another Board member was present to represent the Ranch.

Ms. Groot recalled from a previous meeting that Mr. McAllister was going to do a mailing to the Ranch owners to let them know that the Deer Meadows proposal was on the website. Mr. McAllister stated that he was still willing to do the mailing, and he was working with Mr. Tyler to get an idea of how much it has already been publicized. He understood from Mr. Tyler that most people had already been made aware. Ms. Groot thought it would show good-faith on the part of Mr. McAllister to send the mailing. Mr. McAllister stated that if Carol would send a postcard announcing that the proposal is on the website, he would pay the expense.

Mr. Powell stated that if they intend to send a mailing, it should be done before the Board votes on it. Mr. Tyler replied that individual owners could still have their own opinion to express to Summit County. The Board's decision would not limit that opinion in any way. He pointed out that Summit County would have the ultimate decision on the proposal. It was the responsibility of the Board to come to some agreement with Mr. McAllister that was beneficial for the Ranch. Mr. Tyler remarked that the owners have had ample opportunity to attend a Board meeting and/or express their opinion. He had received a few emails and he responded by answering questions and referencing the agreement.

Mr. McAllister suggested that if the Board voted this evening, they could include a short comment on the postcard indicating why they were in favor and that the details were on the website.

Mr. Burdette preferred to see the final document before voting, particularly since the Board made edits that have not been verified by the attorney. If they choose to vote this evening he would abstain. Mr. Tyler respected his position. However, he personally felt that after months of meetings the Board understood the intent of the agreement. Since the revisions they made were on the record, he was comfortable making those conditions of the approval. If those conditions are not met it would not satisfy the vote. Mr. Burdette wanted to know what would happen if they provide Mr. Barnes with the revisions and he advises differently. Mr. Tyler stated that in that situation the Board would have to vote again at the next meeting.

Mr. Gonzales concurred with Mr. Burdette. They had great intentions with the first agreement and it was still being discussed. He preferred to see a final document in advance of the meeting because it would help support their decision to the membership. Mr. Hodgson asked if it could be done electronically. If the final agreement is emailed and there are no questions, the Board could vote electronically and give Mr. McAllister a better time frame to move forward.

Mr. Tyler stated that he would have Ted Barnes revise the agreement as quickly as possible, and email it to the Board members and Mr. McAllister. Once everyone is comfortable with the agreement they could vote via email. If enough Board members vote by email to constitute a quorum, it could be considered approved.

MOTION: Mark Hodgson made a motion to APPROVE the agreement based upon the changes to the current document, and the Board would vote at a later date once Ted Barnes approves the changes that have been made and the Board members have the final document for review. Dan Heath seconded the motion.

Honey Parker requested an amendment to the motion that Ted Barnes, the attorney, verifies and accepts the changes. Mr. Hodgson noted that attorney approval was included in his motion as part of the changes.

Mr. Tyler asked Mr. Hodgson if his motion was to support the proposal to Summit County or to remain neutral. Mr. Hodgson replied his motion was based on what was originally done in 2007. He pointed out that the Board had not had a discussion on whether to support or remain neutral and he was unsure how everyone felt. Mr. Hodgson personally thought they should support it; however, that was not reflected in his motion.

Mr. Deaver recalled a discussion a few months earlier where the Board had looked at the pros and cons of supporting or remaining neutral. If they remain neutral like the 2007 decision, it would not show support or opposition. Mr. Deaver stated that the Board knows that several developers are waiting for the outcome on Deer Meadows. If they support the proposal, they would send a message to Summit County that this was the precedent they would like to see followed for other developments who want to transfer development rights out of Forest Meadow and Pine Meadow. Mr. Deaver believed that supporting Deer Meadows to the County would give the Ranch a stronger precedent with Summit County. Mr. Tyler agreed that supporting the proposal sets a stronger precedent for future development surrounding the Ranch. Deer Meadows has spent the time cooperating with the HOA and working out the details of the agreement. If the Board decides to support the agreement, in his letter to Summit County he would

reference that the HOA decided to support the Deer Meadows proposal because it sets a stronger precedent for future development. Mr. Tyler clarified that his personal opinion was to support the proposal.

Mr. Deaver suggested that Mr. Tyler state in his letter than the Board also supported the proposal in hopes that Summit County would use it as a precedent.

Mr. Hodgson amended his motion to say that the Board was in support of the agreement once the changes have been made and approved by voting electronically. Dan Heath accepted the motion as amended.

Mr. Tyler noted that language in the agreement specifies a neutral position. An additional change would be to revise the language to show a supporting position as part of the condition of the agreement.

Mr. Tyler called for a vote on the motion to vote electronically once the changes to the agreement are finalized and reviewed by the Board.

The motion was restated as amended.

MOTION: Mark Hodgson made a motion to APPROVE the agreement based upon the changes to the current document, and the Board would vote at a later date once Ted Barnes approved the changes that have been made and the Board members have the final document for review. The Board was in support of the agreement once the changes have been made and approved by voting electronically. Dan Heath seconded the motion.

VOTE: The motion passed unanimously.

Mr. McAllister asked Mr. Tyler to keep him informed on the timing so he would know when to request time on the agenda with Summit County. Ms. Groot remarked that the postcards should be sent to the members in advance of the Summit County meeting. Mr. McAllister agreed, but he preferred to wait until the Board voted before sending the postcards. Mr. Tyler agreed.

PI-D-69 Yurt

Mr. Tyler reported that Mr. Bethke was unable to attend the meeting this evening and indicated that he would be at the next meeting. Mr. Tyler had spoken with Summit County Building Department and they reiterated their original position that the Yurt is not within their definition of a temporary structure. He noted that the County definition is

100 days of continued existence on the property and even that requires a Land Use Permit. If the Yurt is intended to be there permanently, it would require a permanent building permit application to Summit County. In his conversation with Robert Taylor at Summit County, Mr. Taylor indicated that a Yurt would not comply with the Building Code and; therefore, would not be allowed to be a permanent structure.

Mr. Deaver asked if Mr. Bethke had obtained a Board of Health permit for the septic tank and drain field. That would be another violation if he did not have a permit and the Board of Health could shut it down. Mr. Tyler pointed out that regardless of whether or not permits were obtained, the Yurt does not comply with the Architectural Guidelines of the Ranch, and ignorance is not an excuse.

Mr. Tyler wanted the Board to discuss the best way to handle the situation. He asked if they should ask Mr. Bethke to remove his Yurt. Mr. Deaver questioned whether the Board could do it or if Summit County should require him to remove it. Mr. Tyler replied that the Board has the purview to ask that it be removed. Mr. Deaver was concerned about enforceability. Mr. Tyler stated that the Association could start levying a fine against the property and file a lien for any fees imposed. Mr. Tyler could see both sides of the argument and recognized that Mr. Bethke has spent a considerable amount of money on the Yurt. However, whether Mr. Bethke misinterpreted the agreement or was given incorrect information from Summit County, it did not excuse the fact that the building does not comply with the Architectural Guidelines, which are readily available and posted on the website or obtained from the Area Representatives.

Ms. Parker asked if the Board would ultimately like Mr. Bethke to take down the Yurt, or impose a fee for having used it as living space. She was unclear on what course they could take. Mr. Tyler stated that it was two issues. Any permanent structure requires an impact fee, which Mr. Bethke had not paid when he erected his Yurt. The second issue is non-compliance with the Architectural Guidelines. He remarked that if the Board chooses to allow the Yurt, it should be allowed on a seasonal basis as a temporary structure. Mr. Bethke would have the right to remove the structure and put it back up the next season. Mr. Tyler interpreted the seasons to be summer, winter, spring and fall.

Ms. Parker asked if Mr. Bethke would be in compliance if he puts up his Yurt seasonally and pays the impact fee. Mr. Tyler explained that a temporary use through the Ranch does not require an impact fee. However, impact fees would be required on the septic tank and the outbuildings because they are considered lot improvements.

Mr. Powell pointed out that a temporary structure is limited to be up 100 days per year. Mr. Tyler understood that the definition had been looser in the past, where someone could pull a trailer up in May and leave it until August and still be considered seasonal.

He believed the Board could take the same approach with the Yurt as long as it is a clear seasonal use. Mr. Deaver noted that Summit County does not address camp trailers and he felt that Mr. Tyler was suggesting that they apply a standard to two different types of structures. Mr. Tyler stated that it is not the purview of the Board to enforce County building guidelines. The Board has the purview to enforce the Pine Meadow Ranch Architectural Guidelines. Mr. Deaver thought the Ranch rules should match the Summit County in terms of temporary structures. The Board disagreed. Mr. Tyler did not believe the two needed to overlap. Mr. Burdette stated that the CC&Rs were established by the Ranch. If Summit County changes their rules it does not impact the CC&Rs.

Mr. Deaver asked if the Board should send a letter of non-compliance. He was told that they had already sent Mr. Bethke a letter. Mr. Tyler had attached Mr. Bethke's response to the email he sent to the Board. Mr. Deaver had not received his email. Mr. Burdette remarked that in his letter Mr. Bethke stated that he had checked with everyone and he believes that he is in compliance. Mr. Heath thought they should send Mr. Bethke a letter stating that unless he attends the next meeting to present his case before the Board, the Association would begin assessing the non-compliance fine. Mr. Heath thought they should also inform Mr. Bethke that the septic tank is a County matter and if he had not obtained the proper permits that they would turn him into Summit County. Mr. Tyler noted that any individual could turn him in. It would not have to come from the Board.

Mr. Tyler stated that he would update the letter of non-compliance notifying Mr. Bethke that after April 16th the Owners Association would begin to assess fines for non-compliance pursuant to the Bylaws and Rules and Regulations, which would be a continuing lien on his property. Mr. Tyler assumed that Mr. Bethke was preparing for a battle based on the comments in his letter.

Mirror for FM/TG Intersection

Discussion was tabled until Matt Brown was present to report on his research.

Unauthorized Construction on Arapahoe

Jeff Hubbard (Area 2) had tried to contact the owner but he was unsuccessful. He understood that Mr. Deaver knew the owner. Mr. Deaver disclosed that he has known the family for 25 or 30 years and he did not want to be involved. However, he did know that nothing more has been done aside from cutting down the tree. Their plan is to build this year and Mr. Deaver told the owners that they needed to come before the Board and present their plans.

Mr. Heath thought this discussion was premature since the owners had not done any construction and had not presented plans. Mr. Hubbard stated that he would continue to observe the lot if he sees any signs of construction he would approach the owners. Mr. Tyler removed the item from the agenda until Mr. Hubbard reports otherwise.

Long Term Planning Discussions

Mr. Tyler intended to email a list to the Board but he had not done that. Ms. Parker had items for discussion. In the interest of time he would include her items in the draft for discussion at the next meeting.

Snowplowing contract – Winter 2013-2014

Mr. Tyler had updated the contract and sent it to the Board for their review. It would not be posted on the website until the Board approves it. Mr. Deaver could not recall receiving an update. Mr. Tyler stated that it was sent with the agenda. The revised contract reflected the changes discussed at the February meeting. Mr. Burdette noted that the revised contract was not significantly different. It was clearer and the language was strengthened in terms of what would be or would not be tolerated. Mr. Tyler noted that the penalties were stiffer.

Mr. Tyler asked if the Board was prepared to vote on the revised contract this evening. Mr. Deaver preferred to have the opportunity to locate the email and print it out and share it with people in his area before voting. Mr. Tyler was willing to postpone the vote, but it was important to take action at the next meeting because the plowers are required to provide insurance by October 1st and he wanted to give them sufficient notice.

Website Update

Mr. Tyler noted that Ms. Parker had redesigned the website. She noted that most of the language remained unchanged. The intent was to create a website that was easier to navigate and easier to use. Important information is posted upfront. They created a safety page to address issues related to safety besides than fire. A place was created for all HOA documents where people can readily find agendas and meeting minutes. The redesign also includes contact information for each Board member. A photo gallery is a place where people can post pictures. Ms. Parker stated that the design still needs to be tweaked and it is an ongoing process. The idea was to create a site that was more user friendly so the owners can feel connected.

Ms. Parker would send the Board members the link so they can review the site at their convenience. Mr. Parker noted that the site was designed to target the owners, as well as those who might be interested in moving to the Ranch.

Mr. Tyler stated that he would try to organize documents over the course of the next several months such as the construction documents. He believed some of the documents are ambiguous and suggested that the Board revisit the Architectural Guidelines and other documents.

New Business

Bobcat Springs Expansion

Mr. Tyler reported that Tom LeCheminant was working on the Bobcat Springs Expansion and he had submitted a Scope of Work based on the \$3,750 that Mr. LeCheminant has currently collected. Because he had not collected the desired \$8,300, the scope was downsized, and the pond would not be quite as large as originally planned. The revised scope is within the \$3,750 on hand and Mr. LeCheminant had obtained approval from the Corp of Engineers for the pond expansion.

Mr. LeCheminant was requesting for approval from the Board to allow him to work on Ranch property. Mr. Tyler noted that at the last meeting the members voted to authorize the Board to handle this situation.

Mr. LeCheminant reviewed his proposal and presented his plans to the Board. Mr. Tyler noted that under the current proposal the dam remains in the same place and structurally it is the same fixture. The proposal pulls dirt that would currently fill up with water and put it on top of the existing berm. Ms. Parker asked if it would change the parking area in any way. Mr. LeCheminant replied that the parking would remain the same. Ms. Parker understood that people who do not own property on the Ranch would not have the right to use the parking. She was told that this was correct.

Mr. Deaver reported on a conversation he had with the owners adjacent to the pond who oppose the expansion. He suggested that they should be sensitive to their concerns and allow them to give input on landscaping, trees and other mitigation factors since they would be directly impacted.

Mr. Tyler asked the Board to review the plans and come prepared to vote at the next meeting. If they allow Mr. LeCheminant and others to work on HOA property there needs to be general liability insurance to cover them and their equipment.

Monthly Budget

Mr. Burdette reviewed the unpaid bills detail report in the amount of \$11,467. He indicated a problem with the bill from Dirt World. All but \$85 was paid of the \$552 total. Mr. Burdette had written an alternative check to pay Dirt World \$467.

MOTION: Bob Burdette made a motion to pay all the bills as outlined. Dan Heath seconded the motion.

VOTE: The motion passed. Honey Parker abstained because she had not reviewed the detail.

Mr. Tyler reported that the Association received a bill from Sam Scaling for plowing the Tollgate/Forest Meadows connector. However, the Board never authorized Mr. Scaling to plow that connector. Whoever told Mr. Scaling to plow it needed to understand that authorization needs a Board vote.

Mr. Tyler noted that the Board had authorized a budget to plow the connector pending a proposal from Mr. Scaling outlining his hourly rate and anticipated time spent on that road. Ms. Parker thought the proposal was sent to Mr. Tyler.

Mr. Tyler stated that the Board would discuss the matter at the next meeting.

The meeting of the Pine Meadow Owners Association Board adjourned at 8:59 p.m.
