

PINE MEADOW RANCH OWNERS ASSOCIATION
MONTHLY BOARD MEETING
PINE MEADOW RANCH
MANAGER'S OFFICE
OCTOBER 16, 2012

In Attendance: Hutch Foster, Dan Heath, Bob Burdette, Suzanne Larson, Alan Powell (Area 3), Tom Deaver (Area 4); Mike Gonzales (Area 6); Matt Brown (Area 1); Nick Boyle (Area 7); Mark Hodgson, (Area 5)

Excused: Jeff Hubbard, (Area 2).

Ex Officio: Jody Robinson – Ranch Manager.

Guests: Cheryl Groot, Lot E-70-AM; Nathan Heiner, Lot C-16, Gayle White, Lot D-57, Tony Tyler, Lot D-33; Doug McAllister

Hutch Foster called the meeting to order at 6:32 p.m.

Approval of Minutes

September 18, 2012

MOTION: Bob Burdette moved to APPROVE the minutes of September 18, 2012. Alan Powell seconded the motion.

VOTE: The motion passed unanimously.

Owner/Visitor Open Forum

Mr. Foster called for comments on issues that were not scheduled on the agenda this evening.

Nick Boyle had received a request from Tom LeCheminant asking if he could use the big boulders that were pulled up along Tollgate to move the water line as part of the landscaping at Bobcat Springs. Mr. Foster did not think it would be a problem if they had boulders to spare and Mr. LeCheminant would transport them.

In response to a question about a second recycle bin, Mr. Heath replied that the request was still sitting on someone's desk.

Mike Gonzales noted that the owner of Lot G-73 wanted to know what the HOA was doing for fire prevention and if there was an official fire plan. Mr. Foster stated that Pine Meadow Ranch has a community fire safety plan and in-kind hours are tracked and submitted to Alan Powell, who submits them to the State. In-kind hours gives them

State fire prevention services, which is mostly centered around fuel reduction. Mr. Foster stated that a fire plan was created several years ago and it is posted online.

ECC Plan Review

Gayle White, Lot D-57, presented plans for her lot on Elk Road. Nick Boyle is the area rep. Ms. White stated that her building permits are on hold until she hires a contractor. She had reviewed the requirements and planned to use medium brown logs and a green roof. The house sits down in and overlooks the pond. The lot has an existing driveway. The driveway is steep and may need to be graded.

Mr. Foster told Ms. White that Summit County looks at setbacks, height and other building issues. The Board is more concerned with compliance with the Ranch architectural guidelines in terms of color, siding materials, and roofing. If the plans are in compliance with the guidelines, Mr. Boyle, as the area rep, could help her fill out the building agreement. Mr. Foster informed Ms. White that a culvert is required at her driveway and the requirements would be outlined on the building agreement.

Alan Powell reported on a garage Ken Smith. Lot A-59 was building. Everything is in compliance; however, Mr. Smith was supposed to send a check to Carol but she had not received it. Mr. Burdette had asked Carol to notify the Board when the check is received. Mr. Burdette stated that Mr. Smith still needed to provide a copy of his plans that were approved by the County. Mr. Powell would follow up with Mr. Smith. Mr. Foster asked Mr. Powell to find out whether the shed on the property is a temporary structure that would be removed when the garage is built or if it will remain. If the shed is permanent it should have galvanized siding.

Mr. Boyle updated the Board on the Yurt project. The owner understood from Summit County that the Yurt is considered a temporary structure and it does not need County approval if it is used 100 days or less per year. The owner believed the County interpretation also applied to the Ranch. Mr. Foster noted that the CC&Rs allow trailers, etc. for vacation use, which has always been interpreted as summer use. Mr. Boyle noted stated that the owner was planning to heat the Yurt and leave it up year-round. Another structure next to the Yurt will be a toilet area. There is a septic tank and he has water and power.

Mr. Foster stated that a structure with a plumbed toilet, running water, heat and intends to stay indefinitely is a cabin, based on the interpretation of the CC&Rs. Number of days is irrelevant. The relevance of vacation use is that the structure is removed.

Mr. Boyle informed the owner that regardless of Summit County approval, the HOA has

their own rules and regulations, and temporary and seasonal structures are from season to season. Mr. Foster thought the owner should bring his plan before the Board to determine whether or not it is appropriate. He noted that Yurts are not addressed in writing and the Board has the latitude to approve things that fall within the spirit of the guidelines. Mr. Boyle had invited the owner to attend the meeting this evening, but he had a prior commitment.

Mr. Deaver assumed Summit County would have a different interpretation once the structure has plumbing, power and water.

Mr. Boyle would inform the owner that if he intends to leave the Yurt up year-round he needs to bring his plans to the Board. Mr. Foster thought the Board also needed to talk about whether Yurts could be permanent structures that fit within a Mountain environment. He believed that a structure that is left up year-round should be evaluated the same as any cabin that people use part-time.

A suggestion was made for Mr. Boyle to contact Summit County to verify their guidelines regarding Yurts and/or temporary structures.

Mr. Burdette thought the CC&Rs state that trailers must be moved off the Mountain by a certain date. Mr. Foster clarified that there was not a requirement in the CC&Rs. It was a guideline and the Board required people to remove trailers due to a long history of trailer collapse on the Ranch and potential damage. However, the CC&Rs address temporary use, and the Board interpreted that as saying that trailers should be removed in the winter. Mr. Burdette believed the Yurt should also be removed in the winter based on that same temporary guideline. Mr. Foster agreed, unless the owner comes to the Board and the Board decides to approve it as a permanent structure.

Ranch Manager Report

Equipment Status

Jody had to purchase lift arms for the grader. He anticipated a bill from Wheeler in the amount of \$1900. The blower is hooked up. The tractor was purchased.

Projects in progress

Jody was in the process of building a sand shed. He would purchase the sand as soon as the shed is completed. Mr. Burdette suggested that Jody order the sand and have it delivered before the weather changes. Jody estimated that he would need approximately 8 loads of sand.

People on Elk Road were concerned about getting the road graded before winter. Jody would see that the road is graded and he would also like to add road base.

Jody was trying to get the Ranch ready for winter and the culverts cleaned out for the Spring runoff.

Jody stated that the wiring in the shop heater is old and he did not trust it, and he started looking at electric heaters.

Mr. Burdette asked if an asphalt project was still planned for the Fall. Mr. Foster answered no. The donor did not want to donate to a project where he was unsure of the outcome.

Water Company Report.

Suzanne Larsen reported that the Water Company was still trying to get all the arrangements made for the Aspen Ridge well. It is an ongoing process.

The contractor working on the Tollgate well will come back in the Spring and resurface Tollgate in the areas where they tore it up.

Due to the I-Plat project, the Water Company was able to reduce the pressure on Pine Meadow Drive and they do not anticipate any more leaks. The Water Company purchased a listening device that will enable Brody Blonquist and Trevor Townsend to detect leaks much quicker and get them repaired before a significant amount of water is lost.

The cost to improve the existing well at Aspen Ridge is approximately \$350,000. Based on the current production, the Aspen Ridge well should provide approximately 85 gallons per minute. The cost to drill a new well would be approximately \$650,000.

Mr. Foster remarked that the chlorinating facility at Bobcat Springs would be rebuilt next summer. There was a presumption for many years that the land was an SS lot and belonged to the water company. Since they have finally determined that it is not an SS lot and the property is officially in the Ranch, the Water Company should bring plans for the chlorinating facility to this Board for approval. Mr. Foster believed the Water Company should be subject to the same guidelines as anyone who builds on a Ranch lot. Mr. Foster asked Ms. Larsen to mention that to the Water Board at their next meeting.

Mr. Foster pointed out that the Water Company's maintenance structure and the HOA sand shed are on SS lots that are off Ranch property. Therefore, those structures were treated differently.

Old Business

Deer Meadows Proposal

Mr. Foster had nothing new to report on the Deer Meadows proposal itself. However, he had spoken with Ted Barnes regarding the discussion at the last meeting about whether or not Deer Meadows should have been paying dues to the Ranch since the 2008 agreement, and whether that violated the original agreement of the old Deer Meadows proposal. Mr. Foster explained that Mr. Barnes' interpretation of the agreement was that Deer Meadows should be paying dues on one lot because it had not actually been subdivided. However, there is no breach of agreement at this point because the Association has not been billing Deer Meadows for annual dues. Mr. Barnes recommended that the Association send Deer Meadows a bill and expect Deer Meadows to pay back dues beginning from the time of the 2008 agreement.

Mr. Deaver stated that penalty, interest or late fees should not be charged to Deer Meadows because the Association failed to send the bills. Mr. Foster agreed. Mr. Deaver asked if Deer Meadows would be subject to paying the year-round cabin assessment up to the point where Mr. McAllister sold the blue roof house, at which point it would be assessed as a vacant lot.

Doug McAllister explained that there is one lot of record with the blue roof cabin, which he sold to the Nichols. The property for the Deer Meadows proposal does not have a lot of record. Mr. McAllister understood the interpretation of the agreement, and once he has the opportunity to review it in more detail, he would be willing to pay what is owed. He still believes the agreement addresses the six parcels of property to join Deer Meadows, and that the property that has the lot of record was not named as part of the agreement. Therefore, his interpretation was that there was no lot of record and they were waiting for approval of four to six lots. Mr. Foster clarified that Mr. Barnes' review of the agreement was that it referred to a lot, and the Association should have been billing for that lot. Mr. McAllister was willing to sit down with Mr. Barnes and/or Mr. Foster to review the agreement together.

Mr. Burdette thought the Board should direct Carol to bill Deer Meadows for dues from 2008 forward.

Mr. Foster asked Mr. McAllister for clarification on whether the six lots that would be

Deer Meadows would be carved off of the lot where the cabin currently sits. Mr. McAllister replied that the lots were already carved off with legal descriptions but they have not been platted. He explained that the Nichols lot, (SS-142-E-2-A), 1963 S. Pine Meadows Drive, is described as a 17 acre lot. It has a Summit County lot number and that lot is entirely separate from the rest of the property.

Mr. Burdette asked when the property now owned by the Nichols became a separate lot. Mr. McAllister stated that it became a separate lot before he purchased it from Leon. It was separated out under a different transaction. Mr. McAllister remarked that the lot has been a separate Tax ID parcel for ten years and it was not connected with the surrounding property. Mr. Foster asked Mr. McAllister to email the Tax ID number for the six vacant lots to Mr. Burdette.

Mr. Foster summarized that Mr. Barnes advice to the Board was to bring the billing current and continue to bill; and that he still felt strongly that the agreement makes sense for the benefit of the Ranch. Unless something changes, they should plan to honor that agreement. The agreement puts the burden on Deer Meadows to meet the Ranch standards and pay the assessment, and it also protects the Ranch from things that could occur adjacent to the Ranch.

Mr. Deaver recommended that the Board make that very clear to the property owners at the Annual Meeting on November 13th. Mr. McAllister stated that the County Commission was anxious to get Deer Meadows back on their agenda. Mr. Foster remarked that the Board would be updating the owners at the annual meeting; however, since there is an existing legal agreement, he did not believe there was any reason to abandon that agreement. In 2008, it was the Owners Association Board and not the entire Ranch population that made the agreement with Mr. McAllister. Based on legal advice, that agreement is still valid as long as the Deer Meadows proposal remains closely aligned to that agreement.

Cheryl Groot, Lot E-70-AM, asked if a mailing regarding Deer Meadows would be sent to all the property owners. Mr. Foster clarified that Mr. McAllister had offered to do a mailing to inform the public. Mr. Foster was willing to ask Mr. McAllister to do the mailing once he makes a formal proposal to Summit County. Mr. McAllister would notify the Board when the item is scheduled before the Commission. He thanked the Board for the opportunity to educate people on his proposal and he would be happy to send a mailing.

Asphalt Project on Tollgate Canyon

Mr. Foster reported that Rick Rouse, SS-156-C-4, was out of town in California for the winter. Without having an opportunity to fully understand the work he would be donating towards, he was not ready to commit funds on an unknown project. Mr. Foster noted that when Mr. Rouse comes back in the spring he may be willing to consider the same offer.

Tony Tyler, Lot D-33, understood from a mutual friend that Mr. Rauch was still willing to donate money for asphalt and he would match dollar for dollar from the HOA and/or other contributors. However, Mr. Rouse preferred to have the asphalt professionally laid. Mr. Foster remarked that a professional may be a good option for Mr. Rouse, but the Association did not have that type of budget. When Mr. Rouse returns, the Board could look at the budget and determine whether matching funds was feasible.

New Business

Annual Meeting Confirmation and Agenda

The Annual Meeting was scheduled for November 13th, 6:30 at the Sons of Utah Pioneers Building in Salt Lake City.

Mr. Burdette reported on a request from a Ranch Owner to post the agenda and minutes on the website prior to the Annual Meeting. Mr. Foster stated that he would be out of town the following week but he would do his best to post the agenda. The minutes on the website are current through August. The September minutes were not approved until this evening. The October minutes would not be approved until November.

Mr. Foster noted that the minutes from the 2011 Annual Meeting should be posted since the members will be asked to vote on those at the annual meeting. He would contact Carol for the annual minutes. Mr. Foster emphasized that prior to four years ago, there were no minutes. He did not think it was unreasonable to wait until the minutes were approved at the Board meeting a month later.

Mr. Deaver asked about the request from an owner to see the monthly financials to see where their money is spent. Mr. Foster postponed that discussion until the Monthly Budget Review later in the meeting.

Mr. Foster called for discussion on agenda items. He asked if Mr. LeCheminant intended to present his ideas for the pond expansion at the annual meeting. Jody offered to contact Mr. LeCheminant. Mr. Foster would leave a place on the agenda for that presentation based on the conversation with Mr. LeCheminant at the last Board

meeting.

Mr. Foster stated that a modification was made to the parking regulations for better clarification, and that would be on the agenda for Ranch approval. Mr. Foster would leave time on the agenda to discuss the Deer Meadows project and to outline the Board's position.

Mr. Boyle asked when the Board would hold their November Board meeting. Mr. Foster replied that the Board typically has a short meeting following the Annual Meeting. Mr. Boyle noted that earlier in the meeting he was asked to invite the owner of the Yurt to attend the November Board meeting. Mr. Foster suggested that Mr. Boyle move the invitation to the December Board meeting.

Mr. Burdette thought the agenda should allow time for the Board to talk about the requirement to present a replacement cost proposal for all the Ranch assets. They are now required by the State of Utah to identify the deferred maintenance or replacement costs of all assets. They are not required to have funds available, but at the least they are required to notify all the owners of what that liability could be. Mr. Burdette asked if they should include asphalt in that computation because there is no asphalt on Ranch property and; therefore, they have no legal liability to replace it.

Mr. Burdette would prepare the study and he intended to over-estimate the costs to cover unforeseen liability. He felt it was important to have that discussion at the Annual Meeting to let the Ranch Owners know that the liability exists.

Mr. Burdette noted that the Ranch had to sell a piece of property to purchase the grader. They currently own 11 pieces of property. He would like to be in a position where they would not have to sell another piece of property to replace the grader and he has been working towards that goal.

Mr. Deaver asked for the pros and cons of listing the study. Mr. Burdette replied that the pro would be to be in compliance with the current Utah State Code. Another pro is that it tells a bigger story to all of the Ranch Owners so they understand that the equipment they see working on the Ranch is not free and to replace it will cost money.

On the issue of asphalt, Mr. Burdette felt they should disclose liability on the property the Association owns and make no reference to anything they do not own. Mr. Foster stated that in his opinion, the Ranch has donated asphalt, labor and road base to 6 miles of road they do not own because it benefits the Ranch owners.

Mr. Burdette stated that the Annual Meeting is held in November, but the financial year

does not end until December 31st. The only year-end financial statements that they can deliver to Ranch owners would be December 2011, which is the most recent year-end but old information for the Annual Meeting. If the Board delivered financial statement to the members at the Annual Meeting that covers 2012, they would have ten months worth of information. To compare a 10 month financial statement against a 12 month budget is misleading. Mr. Burdette understood the request to provide year-end information. He felt they should post the December 31st, 2011 and compare that with the 2011 budget. The 2012 budget could be provided at the annual meeting, along with ten months of financial statements. The Board could verbally explain that the budget cannot be compared with the financial statements because the financial statements are missing two months worth of data.

A suggestion was made to take the prior years last two months to complete the 12 month statement, and make it clear that the first ten months were accurate and the last two months are estimates based on the prior year. Another option would be to move the Annual Meeting to January or February. Mr. Burdette remarked that the CC&Rs require the Annual Meeting to be held in November. Another suggestion was to change the financial year end. Mr. Burdette was unsure of the ramifications, but if it was changed he would suggest a September 30th year end. That would allow the Board time to review the annual statements in October before the Annual Meeting in November.

The Board discussed the pros and cons of moving the financial year end. Mr. Foster remarked that the current system has worked fine for many years. The previous year closing financial statement has been approved by the membership every year without issue. Mr. Foster did not believe the demands of one property owner should drive the way they keep their books, budget their year, or present information to the Ranch owners.

The Board discussed assessment rates and what was done with the additional money from the increase last year. Mr. Foster noted that each year the Board puts a rate structure before the membership for approval. He asked the Board what the proposed rate should be for this year. There was some question as to whether or not to keep the \$50 increase from last year in place or to reduce the assessments by \$50. Mr. Deaver asked what would happen to next year's budget if they recommend keeping the \$50 per lot increase from last year. Mr. Burdette stated that they could do \$40,000 more in either asphalt or aggregate.

Mr. Powell made a suggestion to eliminate the \$50 and change it to 20%. A \$50 increase across the board resulted in a higher percentage for a vacant lot owner than a full-time user. The additional money was put to good use but the rate increase was

unfair.

Mr. Burdette remarked that the 20% increase would result in \$3,000 less than the \$40,000 they had with the \$50 increase last year. He noted that eliminating the \$50 and implementing a 20% increase would leave the cabin owners exactly where they are. The lot owners would pay \$10 less and full-time owners would pay \$10 more. There are approximately 400 landowners only and 125 full-time residents.

Mr. Foster pointed out that they only have one skilled worker to run the equipment they have acquired and the projects they would like to do. He believed that eventually they would have to consider hiring another skilled person on the Ranch or acquire enough money to contract out larger projects.

Mr. Heath stated that he preferred to keep any increase close to what was done last year because a number of people are still suffering from the economy. He would favor reducing the rate or keeping it the same.

Mr. Burdette felt that they were still collecting money from owners that was not needed, even though they could find ways to spend it. He did not believe a non-profit organization that milks funds from their constituents should be milking more than what they need.

Mr. Deaver asked if the members have the ability to disregard the Board's recommendation and make their own motion. Mr. Burdette stated that any motion can come before the annual meeting and it can be seconded, discussed and voted on.

Mr. Burdette proposed that they roll back the \$50 per month on the owner who just own land and not impose the 20% increase on that group. They could roll back the \$50 per month for cabin owners and homeowners and impose the 20% increase on those groups. Mr. Heath stated that the landowners who pay the least have always paid the least, and none of them have ever offered to give money back because the roads are improved and they were able to sell their property for more. Many of the landowners purchase their property as investment and they come out much better than cabin owners. Mr. Powell agreed that improving the roads improves the value of their investment.

Mr. Burdette reiterated his proposal to return to the prior rate for landowners. Mr. Foster preferred to treat everyone equally if they propose a new rate schedule because Ted Barnes has questioned whether the current rate structure is legal. Mr. Burdette felt it was important to have Board consensus on a rate proposal. He felt agreement would put the Board in a better position for the Annual Meeting.

MOTION: Alan Powell made a motion to propose a 20% increase on the dues rate from two years ago. Tom Deaver seconded the motion.

VOTE: The motion passed unanimously by all Board members present.

Monthly Budget Report

Mr. Burdette reviewed the unpaid bills detail report totaling \$9,658. He had emailed mileage reimbursement forms to the Board members for reimbursement next month. Mr. Burdette noted that \$330 to the Summit County Recorder were lien notices and lien releases that were filed.

Mr. Burdette noted that the Association still needed to pay approximately \$8,900 for a snow blower, \$1900 on the grader lift arms, approximately \$3,000 in sand for the winter, and \$10,000 for a sand shed.

MOTION: Bob Burdette made a motion to pay the Unpaid Bills as presented in the amount of \$9,658. Suzanne Larsen seconded the motion.

VOTE: The motion passed unanimously by all Board members present.

Mr. Deaver referred to their earlier discussion with Doug McAllister and his statement that the County Commissioners are suddenly in a hurry to hear his proposal because of the election. Mr. Deaver pointed out that the Board had still not seen a written copy of the final proposal. Mr. Foster felt it was irrelevant because nothing would move forward until Ted Barnes writes a new proposal or approves Mr. McAllister's. The Ranch would not be affected by any urgency. Mr. Deaver was concerned that Mr. McAllister would mislead the Commissioners by saying that the Board was advised that the 2008 agreement is still in force. Mr. Hutch stated that the Planning Department would request input from the Owners Association in the form of a written letter, and the Board would not submit anything until a concrete proposal is in place.

The Board members had some problems with Mr. McAllister's explanation of the lots. Mr. Foster reminded the Board that any decision or agreement would be based on Ted Barnes' interpretation and not Mr. McAllister's interpretation.

Mr. Burdette presented a large packet of lien releases and notices of lien. Mr. Burdette stated that typically the secretary would sign the lien releases, but it requires a notary and there was no notary present this evening. Mr. Foster did not think the paperwork should be signed without instruction from Carol. Mr. Burdette was willing to send them

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back to Carol. He explained that only the President or the Secretary have the legal power to bind the Association to the documents. If the documents need to be executed, he suggested that Suzanne Larsen get direction from Carol and find a notary so she could sign and execute the documents.

The meeting of the Pine Meadow Owners Association Board adjourned at 7:45 p.m.
