

PINE MEADOW RANCH OWNERS ASSOCIATION
MONTHLY BOARD MEETING
RANCH MANAGER'S OFFICE
NOVEMBER 12, 2019

In Attendance: Pamela Middleton, President; Stephanie Coleman (Area 1); Nicole Irving (Area 4); Bruce Hutchinson (Area 5); Ted Bonnitt (Area 6); George Sears (Area 7); Andrew Pagel, Treasurer, participated via telephone.

Ex Officio: Robert Rosing, HOA Counsel

Excused: Jeremy Jespersen (Area 2); Joe Pagel (Area 3)

Pamela Middleton called the meeting to order at 9:39 p.m.

Approval of Minutes

October 15, 2019

MOTION: Ted Bonnitt moved to Approve the Minutes of October 15, 2019 as written. Pamela Middleton seconded the motion.

VOTE: The motion passed. Ted Bonnitt and George Sears voted in favor of the motion. The remaining Board members abstained because they had not read the minutes or were not present for the meeting.

Ranch Manager bonuses

The Board discussed the end of year bonus for Jody and Randy as presented in the budget.

MOTION: Nicole Irving moved to Approve the bonus for Randy and Jody. Stephanie Coleman seconded the motion.

VOTE: The motion passed unanimously.

Fund Reserve Analysis Study

Ms. Middleton thanked Mr. Sears for answering the question this evening regarding the Fund Reserve Analysis Study. Mr. Sears noted that templates can be purchased for \$50 to \$75. From everything he learned, the driving force is how much capital they need to deal with in their environment. He noted that in looking at the balance sheet, there is a subset of very few.

Mr. Rosing commented on the benefits of paying a professional to do the study. If it

ever becomes necessary to increase the assessment, they could use the Study that was prepared by independent experts as the basis for needing the increase.

Mr. Sears had spoken with some companies in the Valley and he found them to be reasonable. If there are companies in Park City area, he assumed they would charge a higher price. Mr. Sears pointed out that the biggest capital item for the Ranch was 34 miles of roads. Mr. Rosing agreed that it was roads and machinery.

Mr. Hutchinson pointed out that the HOA also owns property. Ms. Middleton stated that they also own the small office. Ms. Irving remarked that eventually they would own the fire station. Mr. Hutchinson asked if the HOA owns the small shop that Jody uses. Ms. Middleton thought that belonged to the Water Company. Mr. Sears recalled an agreement when the shop was built whereby the Water Company leases the land under the shop from the HOA because it was HOA property. Ms. Middleton thought the HOA might own the little garage because there is another door with a lock that is the Water Company's building.

Mr. Sears believed the highest cost would be \$2,000. Mr. Pagel thought it was worth the extra cost to hire an expert. The HOA is simplistic and it would be put into a verbatim template. They will utilize the cash flow method similar to the previous reserve study. Mr. Pagel thought it was better to pass the liability to an external company. He was hesitant to put any liability on a volunteer Board member. Mr. Sears stated that he would speak with two of the four companies he had contacted. Mr. Rosing thought they should wait until the snow melts to do the study.

PI-D-8 – Noah Levine

Mr. Rosing had not heard any updates since Mr. Levine had spoken with Summit County. He would follow up with Mr. Levine.

CC&Rs Update - Next Steps

Mr. Bonnitt stated that the next step was to wait and revisit the CC&Rs in 30 days. Mr. Rosing thought the Board needed to send out the letter and the ballot electronically to the members. Mr. Sears understood that was the intended next step. Ms. Coleman volunteered to take flyers around her neighborhood and talk to people.

Mr. Bonnitt thought it would be worthwhile to mail out the "Declaration for Dummies" that Karen had prepared because it is explanatory; not promotional. Mr. Rosing favored that

idea.

Mr. Sears thought they should let the owners know that Ted Bonnitt is not the only person who can answer questions. People can contact any of the Board members if they have questions. Mr. Sears had calls from five people today. Two were from his area (Area 7) and the other three were from people he knows on the Ranch. After finding out they did not need to be present to vote, none of those people attended the Annual Meeting this evening. Mr. Sears stated that all the callers asked his opinion of the revised CC&Rs and he had the opportunity to tell them that he was voting in favor because he has been involved in the process. He stated that the Update is not perfect, but everyone needs to compromise for the better bigger good. Mr. Sears remarked that at the end of his conversation, each caller had decided to vote for the CC&Rs. People are still unsure and it is important for the entire Board to be available for questions.

Mr. Bonnitt felt that his work was done in that respect and he agreed that it was important for the Board to step-up as a group. Ms. Coleman stated that she heard feedback from lawyers and others saying they would like to see the CC&Rs more simplified. She noted that once the CC&Rs are approved they are set and established, and some people are still not yet comfortable with it.

Mr. Bonnitt noted that there was a 15-month window and they took a lot of comments, including from people who are usually opposed to anything. Once in a while people would come through with something that made sense, and the committee considered it not only in the hopes that it would improve the project, but that it would also win people over. Unfortunately, that was not the case. Mr. Rosing remarked on a concept known as bad faith criticism, and he sees that concept occurring in the CC&Rs process. He believed people were offering bad faith criticism when they actually have no intention of ever voting for the CC&Rs.

Mr. Pagel agreed with both sides. He did not believe the CC&Rs were perfect, but in his opinion, they were at the inflection point of the cost benefit analysis. People complain about the size and length of the document, but in reducing the document size the cost benefit analysis starts to outweigh itself. He thought the Board could use it as their defense when people complain about how much was spent on legal fees.

Mr. Rosing stated that the Board should promote the CC&Rs on Facebook, send out the letter and the ballot, the Declaration for Dummies, and an email encouraging people to look through the attached materials and vote. The email should also invite the members to reach out to their Area reps or any Board member if they have comments or questions.

Mr. Bonnitt remarked that from the outset they understood that no one would be 100% pleased with the updated CC&Rs. However, they need to let people know that if they are unhappy with a few things and they vote it down for that reason, the question is whether they would be happier with the alternative of not having anything updated. Mr. Rosing suggested that Carol write the email and send a draft copy to the Board before it goes out. Mr. Bonnitt thought it was better if he and Mr. Rosing drafted the email and sent it to Carol to be emailed with the attachments. Mr. Bonnitt thought they should also provide a link to the video because some like to watch rather than read.

Architectural Matters

FM-A-07 Unapproved Fence

Ms. Middleton commented on an owner who built a fence without knowing that it was prohibited because other people further down on Forest Meadow who are not part of the HOA have fences. Ms. Coleman noted that the property is on the edge right at the junction. There is a steep incline that drops off on that side of the house. The property owners are a young couple who plan to have children, and they have friends with children who come to visit. Ms. Coleman clarified that safety on the walkway was the major reason for the fence. She explained that when the owners started building the fence, she brought it to everyone's attention and Andrew Pagel and Nicole Irving visited the site and spoke with the owners. The owners tore out some of the posts, moved it further down the hillside, and adjusted the fence to what they had discussed with Andrew and Nicole. Ms. Coleman noted that the owners made the adjustment at a significant cost.

Ms. Coleman further explained that the owners continued building the fence. Ms. Middleton drove by and took pictures of the fence that was still being built. The owners thought the issue had been resolved, but it was not resolved. Ms. Middleton had Carol send a letter of non-compliance to the owners. Jake asked Ms. Coleman why the Board had not contacted him directly instead of sending the letter. Ms. Middleton clarified that Andrew and Nicole had told Jake that he could not continue until the fence was approved by the Board. She believed the Board had followed the proper procedure and the property owners did not follow the instructions they were given.

Ms. Irving wanted to know the next steps. Ms. Middleton noted that the owners had submitted plans to the Board. However, it was a difficult situation because they were asked to stop building but continued to build before their plans were submitted or approved

Mr. Rosing stated that given the reason the owners were building the fence, he

assumed it was not a full perimeter fence. Ms. Middleton remarked that the owners had also changed their reason for building the fence. They originally intended to enclose the entire yard. Ms. Coleman stated that they had originally planned to do a dog run on the side. Ms. Irving pointed out that the owners were more than happy to amend their plan and cut down the fenced area.

Mr. Rosing wanted to know the Board's position on the current stated reason; and given the current location of what the owners had built and proposed. Mr. Pagel was comfortable with the current reduced fence size because it follows the exact outline of their house, which is consistent with a previously approved fence. Mr. Hutchinson pointed out that the previous approval was for a dog run; not a fence. Mr. Pagel agreed; however, he believed it follows the same size as a dog run.

Mr. Hutchinson emphasized that if they allow it, it will create precedent for other property owners who want to do the same. Ms. Irving thought the Board already created the precedent by approving the previous dog run. Ms. Middleton noted that the previous approval was never built. Ms. Irving clarified that regardless of whether the owners built it, the Board still approved it. Mr. Bonnitt believed this fence was more highly visible than the dog run that was approved. Ms. Middleton agreed. The dog run that was approved was up against the house and in a less visible location. Ms. Irving questioned how the Board could justify telling a young couple they cannot build a fence along a drop off for safety concerns.

Ms. Middleton reiterated that the owners should have come to the Board and had the fence approved before they started building.

Ms. Coleman stated that she visited the owners a few days earlier and she saw the fence. She noted that there was already fencing around the patio deck, and there was already fencing coming down on the drop off coming into the driveway. Ms. Coleman thought the gate on the hillside was very visible and sets a precedent for fences. However, as agreeable as the owners were about pulling out a considerable amount of fence, they continued building the fence because they wanted the fence finished while the weather was good and the workers were on the Mountain. Ms. Coleman suggested that the Board tell the owners that the gate that is visible on the hillside sets a bad precedent that fences are accepted.

Mr. Pagel did not believe precedent was the correct word to use, because the Architectural Guidelines clearly state that fences are per Board discretion and evaluated on an individual basis. He pointed out that there are no objective guidelines in the Architectural guidelines defined for fences. Mr. Pagel stated that in his opinion, as long as the fence only outlines the steep drop off right outside their house, it is a viable

safety concern.

Mr. Hutchinson stated that the owners could have put in rocks that would not have precluded animal migration. Mr. Pagel asked for the difference between rocks and a fence. Mr. Hutchinson replied that it was the appearance. Mr. Pagel stated that if it was appearance and not for animals, it was important to get the right wording. Mr. Hutchinson stated that the Board would be using their discretion in saying the fence was not acceptable. It does not fit the mountain.

Mr. Rosing understood that a currently existing portion of the fence was particularly visible. Ms. Middleton did not believe that portion of the fence was very visible. Ms. Coleman noted that the lot is on the very edge of HOA property. There are numerous fences on that side of the mountain. Therefore, this fence does not stand out as much as it would in other locations. In her opinion, what stands out the most is the fence going up the hillside.

Ms. Irving did not believe it hindered animal migration. It is an open fence that is not gated. It goes along the hillside and does not block anything.

Mr. Rosing understood that Nicole and Andrew spoke with the property owners and offered suggestions. Ms. Nicole clarified that they also told the owners they still needed to submit plans and required paperwork to the Board. Mr. Rosing thought the Board should be prepared for the owners to say they thought it was fine to continue because they were following all the suggestions made by Nicole and Andrew. Mr. Rosing cautioned the Board to be careful on these matters because property owners get the idea that the Board said they could do it. However, they were told to submit the required paperwork and get Board approval before they continued building. Based on the fact that the owners continued building without approval, the Board could decide to eliminate the fence, or they could demand that the owners remove it or make further adjustments.

Mr. Rosing remarked that once something goes up, it is hard to tear it down because typically it requires a court order. Mr. Rosing recommended that the Board ignore the fact that the fence was already built. The Board should look at the application and what the owner wants, and then determine how to proceed. Mr. Rosing thought the owners had a decent reason for wanting the fence. If the Board denies all or part of the fence, they can require the owners to remove it.

Ms. Coleman wanted to know how clear Andrew and Nicole were about the need to submit the plans and have them approved before they continued building the fence. Ms. Irving thought they were very clear. Mr. Pagel had said he would send them the

paperwork to fill out and informed the owners that they needed to show what they planned to put in between all the rails. Ms. Irving noted that they also told the owners that the paperwork was on the website. Ms. Middleton stated that the owners had submitted the paperwork. Mr. Rosing remarked that submitting the paperwork indicates that the owners know that the Board has the discretion to make the determination.

Mr. Rosing reiterated that the Board should not focus on the fact that the fence is already built. The question is whether what they have built should stay, or whether the entire fence should be removed or a portion of the fence removed. Mr. Rosing commented on the dog run that was previously approved and noted that there is always a precedential effect. The issue is where to draw the line.

Mr. Rosing asked if the Board was prepared to make the decision on the fence this evening. The question is whether the Architectural Committee would have recommended approval of the fence as it stands, if it was not already built. Mr. Pagel stated that he and Joe Pagel had looked at the plans and they would have approved it. Mr. Hutchinson stated that he had seen the picture and he would not have approved the fence. Ms. Irving stated that she would have approved the fence.

Ms. Coleman asked if Mr. Hutchinson would have the owners remove the entire fence or just a portion. Mr. Hutchinson replied that his problem is that the owners blatantly continued building the fence after Mr. Pagel and Ms. Irving visited the owners and explained the approval process. Mr. Rosing understood his aggravation; but that was not the question. Mr. Sears suggested that the HOA allow the owners to keep the fence but assess a fine for having done it inconsistent with the normal procedure. Mr. Hutchinson was not opposed to that idea. Mr. Bonnitt was concerned that if they allow the fence to stand it would set a precedent.

Ms. Coleman thought the Board should first vote to see if the majority approves the plans before deciding on a fine. Mr. Sears and Mr. Hutchinson had not seen the actual plans. Mr. Rosing questioned whether the Board was prepared to make a decision this evening. Ms. Middleton suggested doing an email vote the next day after everyone has the opportunity to review the plans. Mr. Sears reiterated that even if the Board approves the plan, the owners should still be fined because they went around the process. Mr. Pagel preferred to vote this evening rather than let it linger. He agreed with assessing a fine. The majority of the Board preferred to do an email vote and ratify it at the next meeting. Mr. Bonnitt remarked that he drove past the house the day before and the fence immediately caught his attention because it was so visible from a mile away. He noted that fencing is a major discussion on the Ranch and something that glaring was an issue.

PI-D-91 - Yurts

Mr. Sears had spoken with the owner at the Annual Meeting and she told him they were living in the yurt while they were building and then the yurt would be taken down. The lot was on Alexander.

Mr. Hutchinson stated that the Board had this discussion with the property owner prior to Mr. Sears coming on the Board and they said the yurt would be down by October 31st. Mr. Sears thought they should remind the owners of what was promised. Mr. Hutchinson requested that Carol send a letter to the owners stating that the yurt needs to be removed.

MOTION: Nicole Irving moved to authorize Carol to email a letter to PI-D-91 regarding their yurt still being on their property after October 31, 2019. George Sears seconded the motion.

VOTE: The motion passed unanimously.

Water Board Meeting

Mr. Hutchinson reported on the Water Board Meeting. He stated that major changes were made at the Annual Meeting. As of January 1, 2020, the Water Company will begin charging a \$2500 bond fee for setting a meter. This is a new bond that was never assessed in the past. Mr. Hutchinson reported that another change is that the Water Company will no longer set the meters. They will provide the meter but the property owner will be expected to hire a licensed contractor, which the Water Company will supervise.

Mr. Sears asked what was driving the decision. Mr. Hutchinson stated that the Water Company was claiming liability regarding damage or other issues related to installing the meters as the reason for having it done by a licensed contractor.

The Board discussed the ballot for election of the Water Company Board members. Mr. Hutchinson noted that the shareholders only had the choice of a single candidate for part-time and a write-in against Duane Yamashiro and Eric Cylvick for full-time because they all ran unopposed.

Mr. Hutchinson stated that the Board needed to decide whether they wanted him to serve as the HOA representative on the Water Board. Since Mr. Hutchinson does not live on the Ranch, Nicole Irving offered to fill in on the nights when the weather is bad.

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MOTION: George Sears nominated Bruce Hutchinson to serve as the HOA Representative to the Water Company Board. Ted Bonnitt seconded the motion.

VOTE: The motion passed unanimously.

Monthly Budget Review

The Board reviewed the unpaid bills detail.

Mr. Sears noted that Mr. Rosing had not had the opportunity to review the bill from Wrona Dubois for his services; however, he intended to reduce the billed amount. The Board could either hold the payment until next month; or pay the bill in full this month and Mr. Rosing would issue a credit against the next bill.

MOTION: Stephanie Coleman moved to Approve payment of the Unpaid Bills as presented in the amount of \$28,633.00. George Sears seconded the motion.

VOTE: The motion passed unanimously.

The meeting of the Pine Meadow Owners Association Board adjourned at 10:20 p.m.
