

PINE MEADOW RANCH OWNERS ASSOCIATION
MONTHLY BOARD MEETING
VIA ZOOM VIDEO CONFERENCE
APRIL 21, 2020

In Attendance: Pamela Middleton - President; Nick Jackson – Vice President; Michelle Suitor, Secretary; Andrew Pagel, Treasurer; Tom Brace (Area 1); Bennett Wetch (Area 2); Joe Pagel (Area 3); Nicole Irving (Area 4); Bruce Hutchinson (Area 5); Paul Suitor (Area 6); George Sears (Area 7).

Guests: Andrea Lambert, Lot SS-143-2; Gene Morello and Alan Newman, representing Andrea Lambert; Steven Poll, Lot FM-D-181

Ex Officio: Robert Rosing, HOA Legal Counsel

Pamela Middleton called the virtual meeting to order at 6:41 p.m.

Approval of Minutes

March 17, 2020

Pamela Middleton referred to page 3, under Parking Updates and Signs, third sentence reading, “Last week he and Mr. Rosing met with the Summit County Attorney’s Office”. She corrected the Minutes to reflect that she was also present for that meeting. The sentence should read, “Last week he, Ms. Middleton and Mr. Rosing met with the Summit County Attorney’s Office”.

Ms. Middleton referred to page 4, the last paragraph under the CC&Rs Update. She noted that the word “reps” was used three times in the paragraph and one of those times there was a period after the word. She corrected the Minutes to remove the period.

Ms. Middleton stated that for numbers over a thousand, such as 4,000, there should be a comma between the four and the zeros. She would like that fixed wherever it occurs, if possible.

MOTION: Nick Jackson moved to approve the Minutes of March 17, 2020 as corrected. Michelle Suitor seconded the motion.

VOTE: The motion passed unanimously. Joe Pagel, Andrew Pagel, and Nicole Irving were not present for the vote.

Ranch Manager Report

Ms. Middleton spoke with Jody Robinson last week and he was grading the roads and watching the weather for snow. Jody was also putting up the street signs that were knocked over.

Ms. Middleton reported that Randy had his procedure done and last week he was still recovering.

Mr. Wetch stated that an owner in his area complained about the road on Deep Forest. He wanted to know the protocol for when an owner is unhappy with the state of the road, but still recognizing the nature of springtime on Tollgate.

Ms. Middleton stated that we walked on that road the other day and it was sticky black forest mud. She thought Deep Forest could use a load of road base because it gets a lot of road traffic. Ms. Middleton explained that the Area Reps keep a list of roads in their area that are getting complaints. In May or June, the Board dedicates time to list and prioritize all the roads. She thought Deep Forest should be a priority.

Mr. Wetch stated that he would contact the owner and inform him of the process.

Ms. Middleton remarked that the roads that get the most traffic are a higher priority. She noted that the condition of Deep Forest is primarily due to recent winter construction and heavy vehicles using the road.

Joe Pagel, Andrew Pagel, and Nicole Irving joined the meeting.

Water Company Board Meeting

Bruce Hutchinson reported that the Water Board Meeting was cancelled this month due to the stay-at-home order in Summit County. He had nothing to report.

Parking Updates & Signs

Nick Jackson reported that he heard back from Summit County regarding their request to take over enforcement capabilities for the areas by the mailboxes and across from the mailboxes. Summit County agreed to allow the Ranch to take over the enforcement. The county informed him a couple weeks ago that they would draw up a contract to that effect. It may still be a few weeks out because Summit County is working on other pressing matters. Mr. Jackson hoped to have that contract before the next Board meeting in May.

Mr. Hutchinson asked if the issue with Promontory had been resolved. Mr. Jackson explained that what Summit County agrees to is different than the actual plan. The county was only agreeing to give the HOA the ability to call a tow truck if people are parked in an illegal or unsafe manner at the bottom.

Mr. Jackson stated that a separate plan to potentially put in one or two additional parking lots is currently on hold. To his knowledge, Promontory was still objecting to that plan. Ms. Middleton emphasized that the additional parking lot was not the HOA's plan. Mr. Jackson concurred that it was a separate plan.

Ms. Middleton was pleased to get good news from Summit County regarding enforcement, and they will follow up with the county on the contract.

Ms. Middleton stated that when it is safe again to meet in person, she and Nicole Irving would get together and work on a protocol for the stickers.

Mr. Brace asked about the signs for the dumpster lot. Ms. Irving stated that she was will working on it. She expected to order the signs soon.

CC&R Update

George Sears reported that no new votes have been cast since the last meeting. He recalled from a previous discussion that the Area Reps would reach out to individuals in their area and encourage them to vote. He had already reached out to some in his Area; however, the virus has slowed down some of the processes. Mr. Sears encouraged the Area Reps to take those next steps.

Mr. Sears noted that they had not received enough votes to move forward regardless of how the vote goes. They need at least 560 property owners to vote before they can do anything. They could send out another email, but the last email had very little impact. Ms. Middleton offered to make phone calls if the Area Reps needed her help.

Architectural Committee and New Construction

PI-F-31

Ms. Middleton noted that this was a resubmittal of a proposal from Jeff Pettit. She thought all the materials submitted looked fine.

Joe Pagel thought the submittal was complete and that Mr. Pettit had responded to their requests. In his most recent email, Mr. Pettit was following up with wood textures and colors. He was using a material similar to a wood-grain fiberboard and metal.

Mr. Hutchinson asked the issue of the amount of metal to be used on the structure had been resolved. Mr. Sears replied that the owner reduced the amount of metal to match

the requirements. It appeared to be reduced to the required 10% maximum in the new proposal.

Mr. Pagel remarked that it was not perfect, but he thought it looked close enough to the acceptable limit. He noted that the proposal did not specify an exact amount. Mr. Pagel stated that in looking at the new official elevations and the new official Lot Improvement Plan Agreement, it is close. He thought the stone and the metal combined was borderline on the 10% requirement.

Mr. Pagel was comfortable approving the plans if the other Architectural Committee members were comfortable with it.

Mr. Hutchinson stated that because the owner made the effort to comply and the plan appears to be compliant with everything they asked, he was willing to approve it.

MOTION: Bruce Hutchinson moved to approve the plans for Jeff Pettit, Lot PI-F-31, as revised. Joe Pagel seconded the motion.

VOTE: The motion passed unanimously.

Andrea Lambert – Easement Proposal – SS-143

Ms. Middleton reported that she was contacted by Ms. Lambert's realtor a few weeks ago. She noted that the HOA owns lot SS-143 and there has been an existing 16' easement going through that lot. However, per the Summit County 2020 requirements, a 20' easement is required *or 16' with* pullouts every 200 feet. The HOA would need to draft an agreement to allow the Lambert's to widen that easement to access their lot.

Ms. Middleton noted that she had not spoken with the realtor about coming down from the gravel pit lot. She was unsure whether that was feasible and suggested that the Board talk to Jody about any issues and take more time to determine if it is feasible.

Mr. Hutchinson stated that he had followed all the emails from Ms. Lambert. The most recent email showed two easements that she was requesting. One was a short easement to the end of the lower common parking area, and the second was widening the existing easement. Mr. Hutchinson could see no reason why the HOA would grant Ms. Lambert two easements into that property. He suggested asking Ms. Lambert to eliminate the existing easement, put a very short easement to the steep side, and allow the Lambert's to determine the access and where to locate their cabin.

Ms. Middleton agreed that it was an option. She pointed out that the Lambert's came

back with these two proposed options because they previously suggested six options, and none were viable.

Mr. Hutchinson stated that the most recent option was not an either/or situation. He understood that Ms. Lambert wanted both easements, and he was not comfortable with that proposal. If the Board is looking after the interests of the Association, the easements would go across the area being discussed as a future park, and it would cut through the center where it would be logical to have an open area. Mr. Hutchinson believed the least intrusive would be through the lower parking lot into the steep side. Mr. Hutchinson recalled from the emails that Ms. Lambert was concerned that it would be too steep.

Mr. Wetch noted that Ms. Lambert was on the call, and he thought they should give her the opportunity to clarify her request.

Andrea Lambert stated that they were under contract to purchase a property SS-143-2, that is landlocked by HOA property SS-143. She noted that multiple people have tried to purchase the property and backed out primarily because of easement issues. Ms. Lambert stated that they first learned that the existing proposed easement will not meet fire code requirements. It needs to be either 20' wide or 16' wide with turnouts every 200'. They need to do one or the other to meet fire code. Ms. Lambert remarked that the easement is approximately 500 feet from the cul-de-sac at Eric's property, PI-E-28. She explained that they initially thought it would be beneficial to come in through the gravel pit parking lot because there is already an existing easement and it is a direct shot to the property. However, they later realized that it was too steep to come down that way. Ms. Lambert stated that they were proposing to keep the original easement but adjust it a little. It is pointed at the very top of the northwest corner of the property, and they would like to adjust it a little bit south so the slope is not as great and it comes into the property closer to where they intend to build. The second request was that the lower parking lot is only 15' from the property versus 700'. For safety reasons, having a 15' easement versus 700' would be a good alternative, at least while they are building. Ms. Lambert clarified that they would also like the second request because building a 700' driveway is a huge task. They wanted to start with the easement through the lower parking to avoid bothering Eric's property and not be in anyone's way. They will maintain the 15' and they were not asking for anything to change on the lower parking lot. Ms. Lambert stated that the goal is to be the least intrusive, to be safe, and to meet the fire code.

Ms. Lambert stated that ideally long term, if they could have both easements it would be great because it is a safety issue. They are so far down and landlocked it would be safer if emergency vehicles have the ability to come in and out. It would provide a

second ingress and egress. However, long term, they do not want their driveway to be a parking lot with parked equipment and parked cars. They were hoping to use it as an initial easement for building and then as a safety easement.

Ms. Middleton appreciated what the Lambert's were trying to do. She thought this was something the Board needed to discuss in closed session to look at the options and the reality of being able to get in and out from the top. Ms. Middleton was concerned that other property owners might object because they do not have two accesses in and out of their property. Ms. Lambert stated that the fact that their lot is off the road and landlocked makes this a unique situation. Ms. Irving commented that other large properties on the Ranch only have one way in or out.

Ms. Irving asked if they stick with the original easement in place, whether Ms. Lambert was planning to pave through that property. Ms. Lambert stated that they would like to start building in a year, and it is more feasible to have a 15' easement to build. With the 700' easement, they will have to excavate and do pullouts, resulting in a massive project. Ms. Lambert did not believe they would pave, but they will need to excavate and put down road base. They were requesting to go through the gravel pit and utilize the 15' easement at the end of the lower parking for immediate and quick access to their lot. She stated that if the Board allows them to do this initially so they can access their property and build their house, but decides later on that they do not want them to keep it, it was something they could talk about.

Ms. Middleton asked if Ms. Lambert had gone to look at that spot to make sure that vehicles could actually travel through to the end of the parking lot to their property. Ms. Lambert replied that they have spent time out there and it looks like there is a natural exit from the very base of that lower parking lot. She thought there was plenty of room for vehicles to go through. They would be able to go through without any disturbance and create that 15' of easement and maintain it.

Mr. Pagel preferred to speak with Jody and Randy to make sure it would not impede on anything they were planning to do. He understood what the Lambert's were trying to accomplish, but it required further discussion. Ms. Middleton agreed that it was especially important to talk to Jody because he knows more than any of them about roads, land, and access. Ms. Lambert understood. She also understood that the parking lot is for the community and she wanted it clear that they would not be parking anything in that lot. They would only be driving through to access their property.

Ms. Irving noted that they have activities such as Kids Bike Night in the parking lot and this would turn it into a construction access. Ms. Irving was willing to discuss safety with the Board.

Mr. Wetch understood there were three scenarios. One is the existing easement that needs to be widened to meet code, the second is the existing easement plus a new short easement, and the third would be just a short easement while traveling through the gravel pit in substitution of the existing one. He asked if that was accurate. Mr. Sears replied that the Lambert's were looking at modifying the existing easement as well as expanding it, because they want to move that easement to where it enters their property a little further south. Mr. Sears clarified that the existing easement would need to be modified even if it is widened. He thought 20' seemed excessive. Ms. Irving agreed. Mr. Sears stated that he has 500' to reach his cabin and it is not anywhere close to 20'. Ms. Lambert noted that 20' is a requirement per the new code. The previous people who were interested in the property backed out because they did not want to do turnouts every 200' as required by the new fire code.

Robert Rosing asked if Ms. Lambert had spoken with Summit County to confirm that it is what they would require. Ms. Lambert answered yes. They spoke with the North Summit Fire Department and with Mark Robertson at the Wanship Fire Station. Mr. Rosing suggested that Ms. Lambert check with the Summit County Building Department before moving forward with the easement requests to make sure the Building Department has the same requirement.

Mr. Pagel stated that the North Summit County Engineering Department is who would give Ms. Lambert the guidelines for the driveway. The Building Department approves the actual structure, and the Engineering Department approves the overall site map plan, the driveway, and the driveway grade. Ms. Lambert stated that she had already spoken with the Engineering Department. Mr. Pagel asked if she had documentation from the Engineering Department showing the exact guidelines of the driveway. Ms. Lambert preferred not to do that because it will cost a lot more money and they do not want to have a huge, ugly driveway. Mr. Rosing asked if it was worth going to the Engineering Department and telling them that they have an existing 16' easement. Ms. Lambert replied that because it was never built, they do not care what is on paper. Anything they do now must comply with the current code.

Paul Suitor asked if they need to grant the easement to be wider, or if the fire district requires the easement itself to be the 20'. He thought the long portion of the driveway was relatively level and a fire truck could easily turn around. Mr. Suitor pointed out that if they grant the short driveway as requested, the county will require them to put in road base during construction. Therefore, it would not be temporary unless they haul away the road base when construction is complete. Ms. Lambert had no problem hauling away the road base. In response to the first question, Ms. Lambert stated that it needs to be an actual cleared easement. She noted that there are several oak trees and it is

quite sloping. They would like to have it redesigned to achieve the most minimal amount of slope possible. Mr. Suitor stated that he was talking about the easement itself. If they cleared it and made it look nice and had a 12' road base perfect driveway, they could let the rest of it grow back in and a fire truck would still have room to turn around. They would still have the 20' wide area but it would look more natural. He asked if that was a possibility. Ms. Lambert replied that they are 100% about doing the most minimal disturbance, and they would like to leave it as natural as possible. They do not want to tear up the mountain and they do not want to pay for things they do not need to do. Ms. Lambert reiterated that she was told by the county that if the easement is 12' wide they will need to cut a pullout every 200', and that needs to be 40' long by 20' deep.

Ms. Middleton referred to the pictures Ms. Lambert had sent with the outline of the road. Ms. Lambert replied that it was not exact but they wanted to show their idea of bringing it down a little more on to the property to follow the slope more smoothly and to enter the property closer to where they want to build.

Ms. Middleton stated that after the Board has the opportunity to discuss this further, she would like Ms. Lambert to submit an architectural plan or drawing of what she was proposing. Ms. Lambert noted that they would need to use a surveyor to design the exact location based on the slope and other issues and they were willing to do that. She clarified that their intent at this point was to provide a visual of what they wanted.

Tom Brace understood that this lot was non-HOA. Ms. Lambert replied that the property is currently not part of the HOA, and it has never been improved. Once they close on the property, they will go through the annexation process with the Pine Meadow Water Company and join the HOA.

Mr. Pagel asked for clarification on the two images that were submitted. He understood that the existing easement was the image that only has a singular black line from the Heinrich's over to the cul-de-sac; and that the existing easement is 16' wide. Ms. Lambert replied that the 16' wide easement was already approved but nothing was done. There was no excavation or road base, and there is no actual driveway. It was approved in 2007. Mr. Pagel asked if an easement was recorded on that lot. Gene Morello stated that to his knowledge, from the time that this property was listed with High Country it was marketed as having an established recorded easement in place. They were not aware until recently that the easement needed to be adjusted to meet the new code.

Mr. Pagel asked if Mr. Rosing had researched whether there was a recorded easement. Mr. Rosing replied that he was not familiar with the issue until this call. However, he

thought it was odd that the county could now demand a wider easement. Mr. Pagel stated that his primary interest at this point was whether the pre-existing 16' wide easement was already recorded with Summit County. He noted that in order to be recorded with the county, the property would have already been surveyed and the exact locations and widths of the entire easement would have been recorded. He thought it would be easy to pull up the county record. Mr. Rosing wanted to look into it before providing an opinion.

Alan Newman stated that he is a general contractor and developer in the area. He has been up to the property several times and he wanted to clarify some of the issues. Mr. Newman stated that just because there is an access easement does not necessarily mean that it would be approved for fire access and/or driveway. Mr. Newman explained that when they reach the actual civil engineering phase and take it to a civil engineer, the engineer will look at the slope and other things and then it goes to the county engineer for review and final approval. If the existing easement does not meet the minimum guidelines, the plan is rejected. At that point, the owner would come back to the Board with a request to change the easement. Mr. Newman was familiar with the existing easement that comes over the top of that ridge and it is a steep descent. Based on his experience, even if the existing easement was widened to meet the drive specifications, he believed the overall slope would be rejected. Mr. Newman anticipated a redo with the civil engineer. He thought that was the initial reason why Ms. Lambert was requesting the 15' of easement at the end of the parking lot. Mr. Newman stated that they intend to work collectively with the HOA to make sure everyone is pleased with whatever occurs.

Mr. Pagel stated that it would be a different conversation if it was only 15' off another HOA road. However, the request is for 15' beyond and through the winter parking lot, which is not completely plowed. The lot is used as a burn pile, parking for HOA residents, and to park HOA equipment. Mr. Pagel remarked that there could be considerable implications if they allow the easement.

Ms. Lambert stated that if they cannot use the lower parking lot and they are forced to use the previously approved easement, they would need to use the cul-de-sac, which is practically on top of Eric's house. They do not want construction vehicles parking on the cul-de-sac and going past Eric's house. She thought it made more sense to come in the back way and stay on their own property. Mr. Pagel understood her reasoning and noted that the Board would have that internal conversation.

Mr. Wetch thought the options were clear. The Board would follow-up on verification with Summit County and have a private conversation regarding the requests. He asked if anyone needed further details on this topic.

Gene Morello remarked that in looking through the documents he found that the easement was recorded with Summit County in 2008. He also had a drawing of the easement that was clearer than the drawing Ms. Lambert had submitted. Mr. Morello was asked to send the documents and the drawing to Board@pinemeadowranch.org.

Ms. Lambert commented on an issue with the previously recorded easement. She noted that the verbiage states that the easement could be revoked if HOA dues are not paid. She stated that they have every intention of being involved in the HOA and paying dues, but they want to make sure that the easement is perpetual and there will never be an issue over access to their property. Ms. Lambert emphasized that they would like that to be included if the easement is revised.

Mr. Morello stated that if the only option is to use the same area as the existing easement but make it wider, if there was any reason why they could not make that work. He asked if the Board could give the Lambert's any assurance. Mr. Hutchinson replied that the Board could not give any assurances until they have the opportunity to work through all the issues. He also thought the Board should discuss giving up additional properties owned by the HOA for the benefit of a private individual.

Ms. Lambert informed the Board that a decision was holding up their closing, and they need to have it resolved before they can close. Regarding the lower parking lot, if the Board is only comfortable with a temporary use, she was comfortable having that issue on the table because they were not requiring a permanent access. They would like to have that option while they build.

Joe Pagel informed Ms. Lambert that it could take some time for the Board to make a decision.

Mr. Suitor thought it would help if the Board had a survey of the lot and knew that the grade of the 16' versus 20' would actually pass on the existing route and whether it is feasible. Ms. Middleton believed that was what the Lambert's were trying to avoid by requesting 15' off the parking lot. They would have it surveyed and laid out in the future to make sure they have the correct route, so it is not rejected in the end.

Annual Assessments

Ms. Middleton noted that some of the property owners work in the service industry and may not have paid their annual assessment. Even though they already accept payment plans, she thought it would be nice to send a letter or email to let people know that if they are not able to pay their full assessment, they would be allowed to make smaller

payments or delay their payment for a couple of months, as long as the assessment is paid current by November. The Board agreed with making allowances under the circumstances. Ms. Middleton noted that currently 85% have paid their assessment. Ms. Suitor was in favor of helping people if they already have enough money to pay their bills.

Andrew Pagel stated that they need to consider whether the cost of managing a “friendly proposal” outweigh the remaining income to generate. He thought the Board could decide yes or no this evening whether they were comfortable making a broad statement to the owners that if they have not already paid their HOA assessment for this year, the deadline would be extended to the end of October without additional fees.

Mr. Hutchinson thought the paperwork may be more costly. He suggested that they check with Carol to make sure this was not already a standard procedure. Ms. Middleton replied that some people are already on payment plans and that is a standard process.

Mr. Jackson volunteered to handle the paperwork and put together a deferment plan. The assessment would not be waived, but they would be deferred to a later date without any late fees. Mr. Jackson stated that the Board could ask for some type of documentation showing that the property owner has been affected by the Covid Pandemic. Ms. Middleton offered to work on it with Mr. Jackson.

Rule Changes

Ms. Middleton asked the Board to read through the rules and if they find things that are outdated or need to be updated or changed, they should email those to Mr. Jackson. He will compile a list and once they have enough changes to feel comfortable moving forward, they can start the process of updating the Rules.

Mr. Jackson stated that metal siding and rules for dogs were on his list of items to revisit. At the next meeting they could start finalizing the rules changes they want to propose to the community, because the process requires noticing. He encouraged everyone to send topics to add to the list so they can begin to take more concrete steps.

Mr. Rosing noted that the procedure for rule making can be cumbersome and costly. For that reason, it is important to include as many of the rules they would like to change in one process. Ms. Middleton stated that this was the reason for compiling a list.

Plowing Map

Ms. Middleton stated that she has been working with Carol to get the winter plow map revised so it only shows the HOA plowing and the contracted emergency route plowing. She thought the map was correct. Michelle Suitor also had a copy that would be posted on the website. Ms. Suitor understood that there was an additional change to the map since the last map she received. Ms. Middleton had received a new map from Carol with the requested change. It was possible that Ms. Suitor was not copied on that email. Ms. Middleton would make sure Ms. Suitor receives the most recent map.

Park

Ms. Irving had nothing new to report on the park. She noted that they still have the funds that were initially set aside for a park/recreation/community area.

Ms. Irving had a tentative proposal for an idea a few people had discussed in the Fall.

Mr. Hutchinson noted that \$5,000 would not go far, even for a smaller scale plan. He thought they should first get through the liability issue and the purpose, and then look at the funding portion. Ms. Irving agreed that \$5,000 does not do much. However, she did not think it was appropriate to ask people to donate additional funds for a community area at this time. They did the community outreach and sent out a survey asking how many would be in favor of playgrounds. It does not appear that a playground is the option. She thought they were leaning towards more of a community gathering area. She had spoken with Tom LeCheminant about a gazebo. They found a way to use the \$5,000 that was a good benefit for the community.

Mr. Hutchinson remarked that the issue of who will maintain a community area was never addressed. The cost of carrying out a plan is minimal compared to the maintenance costs. Ms. Irving pointed out that not one person maintains the pond area at Bobcat Springs. The community maintains it. Mr. Hutchinson thought it was important to come up with a plan to propose, and then find a way to fund it. Ms. Irving reiterated that due to current circumstances, she has not been able to meet with the rest of the recreation group to talk about a plan.

Mr. Wetch understood there was not an urgency to spend the money, but they do not want people to think its been forgotten. Mr. Hutchinson replied that he was correct. Mr. Wetch stated that with everyone being at home, this might be an opportunity to solicit ideas from people and encourage everyone to consider ongoing maintenance costs. He remarked that once this pandemic passes and people are allowed to gather again, he could imagine a community build day where \$5,000 could go a long way with people

contributing their time and effort. Mr. Wetch thought they should let the community know that they have not forgotten about spending the \$5,000 on a community area project.

Ms. Middleton noted that the mailboxes were a community effort and a lot of people came to help. It may not occur this summer, but it would be nice to have a plan by the end of the summer. Ms. Irving noted that Coronavirus was not a factor when this item was put on the agenda every month. At the time, they could have all done something together for the community, but that has since changed. Ms. Middleton stated that she would remove the item from the agenda every month and add it to the list of ongoing items to be discussed later. Ms. Irving thought that was a good idea until there is more definitive information to discuss.

Monthly Budget Review

Andrew Pagel reviewed the unpaid bills detail.

Mr. Pagel noted that the legal fees paid through the month of April is 50% of the year's budget for legal fees. Mr. Pagel thought the Board needed to discuss the amount already spent on legal fees and the amount they have remaining. As they talk about potentially pushing off their primary source of income, they also need to think about their expenditures in relation to affecting the income.

Mr. Pagel noted that the Board previously talked about setting a soft legal expense limit every month. For example, if \$30,000 is the budget for the year, it equates to approximately \$2,200 per month. For any amount beyond that, Mr. Rosing would send an email to the Board and the Board could decide whether Mr. Rosing should continue working on whatever it is that would cause the increase. Mr. Pagel remarked that the Board has a responsibility to the owners to stay within some level of the proposed budget that the members approved.

Ms. Middleton assumed that the legal costs would reduce over time because they should be sued less now that they have legal counsel to advise the Board. If they can get the revised CC&Rs adopted they will have the standing to pushback on some of the things they are dealing with.

Mr. Wetch stated that given the CC&Rs update, he did not think it was likely that the CC&Rs will be passed in the near future. He thought the scenario that Mr. Pagel laid out shows that the legal bills this year will eclipse the bills from last year, which was communicated to be an anomaly resulting from drafting the CC&Rs. Mr. Wetch remarked that the Board needs to find a proactive way to begin mitigating these costs.

He understood there were active legal matters in play; however, he agreed with Mr. Pagel's suggestion for a soft cap on monthly charges and requiring approval to go beyond that. He thought that was the best approach in the absence of a foreseeable CC&R approval.

Ms. Middleton did not believe the CC&Rs would go beyond the CC&Rs cost, but as they go forward, there are people moving on to the Ranch that are more litigious and pushing up against the HOA. She did not think it would stop. Ms. Middleton agreed that the Board needed to come up with another solution. A new set of CC&Rs seemed like a good idea, but at this point it does not appear it is going to pass.

Ms. Middleton asked Mr. Rosing about the suggestion to stay within a certain amount monthly or report any excess to the Board for approval. Mr. Rosing thought that would work. He also thought the legal matters were calming down, which would help with billing.

Mr. Hutchinson understood that it has been advantageous for the new Board members to have Mr. Rosing involved during each meeting; however, the cost is \$300 each time he attends. Mr. Hutchinson suggested that they could eliminate having Mr. Rosing attend each meeting, and instead submit questions through the Executive Committee when and if they need Mr. Rosing's involvement. Mr. Rosing could then bill for whatever time he spends when that occurs. Mr. Rosing pointed out that he charges \$300 per hour for attending the meetings and the meetings are usually at least 2 hours. What he charges is a 50% discount on his time. Mr. Hutchinson clarified that he was not questioning what Mr. Rosing was charging. He was simply suggesting a way to cut that cost. Mr. Hutchinson stated that Mr. Rosing's advice has been valuable, but if everyone has access to contacting him, he needs to charge for his time. If there are legal questions that the Board cannot answer in-house, they can involve Mr. Rosing.

Ms. Middleton thought the Board should have this discussion in closed session.

Mr. Pagel stated that if the Board decided to set a soft limit per month for the remainder of the year and any amount beyond that would require an email the Board for approval, he wanted verification that Mr. Rosing would be willing to do that. Mr. Pagel clarified that his suggestion had nothing to do with Mr. Rosing or his value to the Board. It was strictly based on budget. Mr. Rosing was not opposed to the concept, but it is more difficult to estimate legal costs. He understood the desire to do a better job of keeping within the budget, and this was a good way to try to rein in the costs. He was willing to try it. If it does not work, they could discuss it again later.

Mr. Jackson thought the soft cap idea might be doable. In looking at the billing

statements from Mr. Rosing's firm, he thought they appeared to be reasonable. Mr. Jackson stated that in addition to the soft cap, thought they should also talk offline because it involves talking about specific matters.

Mr. Pagel requested a motion to start setting a soft cap of \$2,200 per month for legal fees, and for Mr. Rosing to send the Board members an email for approval of any amount beyond the \$2,200 per month going forward to control the costs immediately.

Mr. Wetch asked if Mr. Pagel was suggesting that Mr. Rosing email the Board members and they collectively vote on it. He wanted clarification on the process to formalize the approval when Mr. Rosing emails a need to go over the monthly cost. Mr. Pagel thought the Board could talk about the process later. His intent was to have something in place right away going forward and to ask Mr. Rosing to begin tracking his expenses.

Mr. Sears did not think Mr. Rosing should send an email to the entire Board. It should only go to the Executive Committee. The Executives drive the primary business aspects and the rest of the Board members are pulled in as Area reps. Mr. Sears was not opposed to the Executive Committee asking the entire Board to approve it, but the Executives should function as an Executive Committee. Ms. Middleton agreed. Mr. Pagel clarified that Mr. Rosing should send the email to the entire Executive Committee.

MOTION: Bennett Wetch moved to implement a rule whereby Robert Rosing, the legal representative, should submit a request to the Executive Committee for approval for monthly expenditures in excess of \$2,200. Joe Pagel seconded the motion.

VOTE: The motion passed unanimously.

MOTION: Andrew Pagel moved to approve the unpaid bills for the month of April in a total amount of \$16,955.17; as well as the additional bill that Jody paid using the credit card for \$331.47. Bruce Hutchinson seconded the motion.

Public and Open Forum

Steven Poll, FM-D-181, commented on the new construction across from the rental property, and noted that it appears that water is draining on to the road because of how the driveway was cut in. He wanted to know who is responsible for putting a culvert across the road, so the water drains properly. He thought it was an issue that needed to be addressed. He clarified that the water is draining down the driveway, on to the road, and running across the road.

Mr. Poll was told that the owner should not have to do a culvert across the road.

Pine Meadow Ranch Owners Association
Monthly Board Meeting
April 21, 2020
Page 16

However, the owner should have installed a culvert underneath their driveway to continue the path. Mr. Pagel stated that the Architectural Committee could look at the site plan to see if a culvert was installed.

Ms. Irving asked if she should purchase signs for the lower lots or just the dumpster area. Ms. Middleton thought they should just do signs for the dumpster area for now.

The Board adjourned the Regular Meeting and moved into Closed Session.

The meeting of the Pine Meadow Owners Association Board adjourned at 8:14 p.m.
