

PINE MEADOW RANCH OWNERS ASSOCIATION
ANNUAL MEETING
SONS OF UTAH PIONEER HALL
3301 EAST 2920 SOUTH
SALT LAKE CITY, UT
NOVEMBER 16, 2009

In Attendance: Hutch Foster, President; Dan Heath, Vice President; Bob Burdette, Treasurer; Suzanne Larson, Secretary; Scot Erickson (Area 1); Scott Clausen, (Area 2); Jen Kanzler, (Area 4); Amy Jackson (Area 7);

Ex-Officio: Jody Robinson, Ranch Manager; Carol Steedman, KGC Associates

Excused: Bruce Hutchinson (Area 5), George Ramjoue (Area 3), Duane Yamashiro (Area 6)

Hutch Foster called the meeting to order at 6:30 p.m. He thanked everyone for coming and noted that this was the smallest annual meeting attendance he could recall. He hoped the lack of attendance indicated that most people were satisfied with the job the Board was doing and that there were no controversial issues.

Board Member Introduction.

Hutch Foster reported that he was currently finishing a term as President of the Owners Association and would be running for another term. He explained that all Association roads are private; therefore, the Board takes care of all infrastructure maintenance inside Pine Meadow Ranch, such as mag chloride, asphalt repairs, etc. Historically, since the SSD was dissolved in 2000 and with contributions and help from other landowners, the Owner Association has maintained both of the roads leading to the Ranch, even though they do not own those roads.

Mr. Foster stated that inside the Ranch the Board deals with new construction, impact fees for construction, annual dues, and code enforcement. He remarked that code enforcement is an issue that troubles people in different ways and he was prepared to discuss enforcement during the Question and Answer portion of this meeting. Mr. Foster explained that enforcement is a difficult matter for the Owners Association because they are not a government and have no powers of enforcement. Their only recourse are nasty letters and fines. When people choose to ignore letters and fines, it puts the Board in an uncomfortable position because they have no policing authority and can only pursue legal avenues.

Mr. Foster remarked that the Board is committed to preserving the quality of life on the Ranch.

Mr. Foster introduced the current Board members and identified the areas they represent. Area 1 representative was Scot Erickson; Area 2 was Scott Clausen; Area 3 was George Ramjoue; Area 4 was Jen Kanzler; Area 5 was Bruce Hutchinson; Area 6 was Duane Yamashiro, Area 7 was Amy Jackson.

Mr. Foster introduced Jodi Robinson, the Ranch Manager, and Carol Steedman with KGC Associates. He noted that Jodi and Carol perform at a professional level; whereas the Board members are volunteers. Mr. Foster introduced Dan Heath, the Board Vice-President, Sue Larsen, the Secretary and Bob Burdette, the Treasurer.

Mr. Foster remarked that Areas 3, 4 and 5 were up for election. He asked that the candidates for Area Representatives to stand up and speak about their candidacy. The position of Secretary was also up for election.

Alan Powell, a candidate for Area 3, stated that he lives on Crow Loop, Lot A-16. He has owned property on the Ranch for approximately one year and he loves the area and the community. Mr. Powell stated that he has taken an interest in the Ranch and he would like to see it preserved. His goal is to promote responsible growth so everyone can enjoy it.

Tom Deaver, a candidate for Area 4, Lot E-71, wanted to see a balance between part-timers and full-timers.

Mr. Foster understood that Bruce Hutchinson was re-running for Area 5 and he believed there was another candidate, Shaun Baker, Lot F-10, who was not present.

Sue Larsen, the current Secretary, stated that she would love to keep working with the Board; but realized it was a decision made by the members.

Honey Parker stated that she was also a candidate for secretary. She has lived on the Ranch for seven or eight years. After attending a few Board meetings this past year she was very impressed with the work that was getting done and how everyone worked with each other. She felt it was time to do her part for a place they all enjoy.

Mr. Foster stated that he was completing a two year term for President of the Ranch. He was elected to complete the term for Scott Boyle when Mr. Boyle decided to step down a little more than two years ago. Mr. Foster stated that he decided to run for a second term because they have made a good start on some projects and he would like to see these through to completion.

Mr. Foster asked all members to sign the roster with their name and lot number, since it would serve as the legal document for their required annual meeting as stated in the bylaws. Mr. Foster noted that the minutes provided this evening were from the 2008 annual meeting and the owners in attendance need ed to vote to approve those minutes. He encouraged everyone to read the minutes before voting later in the meeting.

Ranch Projects and Updates

Mr. Foster provided an update on what the Board has been doing for the past year. Regarding a major capital project this year, the Board members and Mr. Robinson decided that it would benefit the Ranch if they owned a small dump truck and equipment. This would allow Mr. Robinson to deal with small snow storms, small road repairs, and sanding when appropriate, which would save significant hauling and outside contractor costs.

Mr. Foster reported that in the Spring they were able to purchase a piece of equipment out of Denver for a very reasonable price. They equipped it with a sander and plow. Jody has been able to save the Ranch thousands of dollars by doing small repair projects himself.

Wildfire Mitigation

Mr. Foster reported that not much work was done on the Ranch in terms of wildfire mitigation. Some of the work with the State had not come together in a productive time table. However, one really good event was well attended. Bryce Boyer, the County Fire Warden, scheduled a wildland fire engine company training for all of Northern Utah. This training was planned specifically to look at the wildland urban interface, which are neighborhoods on the edge of forests. Mr. Foster noted that the Ranch was chosen as the training area based on the amount of fire hazard mitigation the property owners have done over the last few years. He was happy to welcome 25 engine companies into the neighborhood for a day- and- a- half training to look at managing wildfires in communities.

Mr. Foster stated that those who are red carded firefighters attended, as well as North Summit, Wanship, and Departments from all over Northern Utah.

Ranch Fires

Mr. Foster reported on a number of fires that occurred on the Ranch this year, but overall he felt they easily made it through the wildfire season.

Emergency Preparedness

Mr. Foster stated that late in the summer Ted Bonnitt, Alan, Sara West and others organized an Emergency Preparedness Day. This event was held at the gravel pit and included a barbeque organized by Dan Heath. The event included the County Sheriff, the Air Med helicopter, fire fighting vehicles, SWAT vehicles and other things for adults and kids to enjoy. Mr. Foster remarked that it was a fun afternoon with a lot of information on how to protect the Ranch and

individual properties and their resources in natural emergencies and fire emergencies.

Code Red notification system

Mr. Foster pointed out that a number of people signed up for the Code Red notification system. He explained that Code Red is a reverse 911 system that allows the County Sheriff or Emergency Services to contact a property owner if something is happening on or near their property.

People who want to sign up for Code Red can log on to the website and find the link. It can also be found through the Summit County Sheriff's Department.

Web Page

Mr. Foster presented a slide of the front page of the website and noted that he tries to update the information regularly. He provide a brief overview on how to use the website and the different links. The website is www.pinemeadowranch.org.

Lighting issues

Mr. Foster remarked that with earlier sunsets, it is glaringly evident who has not dealt with lighting issues on the Ranch. He presented slides showing some of the offenses. He reminded everyone that exterior lighting is allowed but the lighting should point downward to the ground. He noted that downward lighting is a Summit County ordinance and not just a suggestion by the Board.

SSD

Mr. Foster noted that at the last annual meeting the Board had talked about creating a new SSD. He explained that an SSD is a Special Service District, which is a quasi-governmental agency that is created to allow a group of people in one area to create a specific service they think they need. Mr. Foster remarked that the Board has created a proposal to create an organization whose responsibility would be to deal with the roads outside the Ranch. He emphasized that it has nothing to do with Pine Meadow. Mr. Foster stated that the Board has tried to put a proposal before Summit County suggesting that there should be an organization that deals with Tollgate Canyon Drive and Forest Meadow Drive. Those roads are extremely important to everyone, but currently no one is responsible for them. Mr. Foster noted that Pine Meadow has volunteered for many years to maintain the roads, but they do not get contributions from the users. The Board believes there should be a structure in place to deal with those roads.

Mr. Foster had a copy of the proposal available for anyone interested in reading the document at

the end of the meeting. Mr. Foster noted that several versions of the proposal were drafted before they agreed on the current document. Once that version was drafted there was overwhelming support for this proposal. It is now with the County and had languished in the County Legal Department for a long time. The proposal has finally completed the legal process and should be scheduled on a County Council agenda in the near future.

Mr. Foster stated that he would update the status of the SSD on the website as soon as they know more. The Board was interested in hearing any public input regarding the SSD proposal.

Steve Erickson, Lot C-69, asked about the people back behind the Ranch. Mr. Foster replied that those properties would be included as well. Mr. Erickson asked if anyone who uses that road would be charged a flat fee. Mr. Foster answered yes and stated that it was the benefit of an SSD. Mr. Erickson pointed out that there are several stake properties. Mr. Foster stated that those properties are not included. He believed that was a valid question and one that is frequently asked because those properties generate a huge percentage of summer traffic. However, last year he and Mr. Heath met with the heads of all the stake properties and presented irrefutable evidence. They did a traffic study and calculated the percentage that was Church use. After putting that information on the table, along with the money spent to maintain those roads, the Church agreed to pay their proportional amount. While they have a negotiated agreement with those properties, the Ranch cannot enforce an SSD agreement.

Mr. Erickson felt it was unfair for property owners who use their property three or four times a year to pay the same SSD fee as the year-round people who go up the canyon on a regular basis. Mr. Foster stated that the fees are waived for those within the Ranch as an effort to reflect the difference in use. Unfortunately, there are only two ways to create the SSD. One is by taxable value. Each property in the SSD pays a certain number of dollars per thousand of their taxable value. Second homeowners pay approximately double what primary homeowners pay. Therefore, to create an SSD based on a normal scenario, part-time users would pay twice what full-time users pay. Mr. Foster stated that a second option was a flat rate, which seemed the most fair.

Mr. Erickson stated that without an SSD they could gate the road because it is a private road. Mr. Foster replied that they cannot gate the road because it has a public right-of-way. A legal battle over a gate has already ensued in the past.

Mr. Foster explained the process of an SSD. He noted that the County Council would give their proposal a preliminary review and decide if it is worth moving forward. If they choose to move forward, it will be published for public comment for 30 days. If 30% of the people in the SSD area oppose the idea, the SSD proposal dies. Mr. Foster believed an SSD was the right answer because it distributes the burden most widely, even though some people benefit more than others.

He pointed out that they cannot toll the road based on miles of use and there is no way to be more equitable.

In response to a question from a member, Mr. Foster stated that the SSD is a plan that has been germinating for two years. However, the Board has not made any accommodations in the budget based on whether or not it passes. A long term expectation has been that if the SSD does not pass, it would probably be reflected in increased dues for those inside the Ranch.

Debra Rakes, Lot D37, asked if there would be a separate budget for the SSD. Mr. Foster answered yes, noting that it would be a separate organization that would bill separately. Ms. Rakes asked if the new negotiated amount with the Church of \$9,000 was included in the information provided this evening. Mr. Foster answered yes. Ms. Rakes asked for the old negotiated amount. Mr. Foster replied that it was \$4500. He believed the HOA and the Church did the math and came up with a number that accurately reflects the use. Mr. Foster noted that the Church has heavy use two days a week and only for 2-1/2 month of the year. He stated that during the meeting with the Church, they agreed to do further traffic studies in the future and adjust the amount appropriately.

2008 Annual Minutes

MOTION: Tom Deaver, Lot E-71 made a motion to APPROVE the 2008 annual minutes as written. Dan Heath seconded the motion.

VOTE: The motion passed unanimously.

Financials

Bob Burdette commented on the accomplishments for 2009, which included the purchase of the dump truck and plow and sander for the truck. He noted that the operating expenses for 2009 were all paid to date. He expected to end the year with a positive cash balance, as well as maintaining their emergency fund. Mr. Burdette explained that the Board decided to purchase a dump truck so the Ranch would have the equipment to do their own sanding instead of contracting the work to Geary Construction. At this point, sand has been stockpiled at the gravel pit and they have the equipment to load the sander. On light sanding days, Jody Robinson should be able to do the sanding. Having this equipment should save the Association a considerable amount of money this winter.

Mr. Burdette noted that the pump trailer was now equipped to draw water from existing water sources on the Ranch and can be used to draw out culverts in the event of a small fire. Mr. Burdette presented slides showing the road conditions in 2007 in comparison to the improved

road conditions today. He particularly noted that Forgotten Lane was one of the worst roads and it was brought back to a more passable standard. Mr. Burdette pointed out that dirt roads create dust, get bumpy and have washboards. Dirt roads also get damaged by spring runoff and require slow driving. Mr. Burdette noted that the dust could be controlled with magnesium chloride, the washboarding could be graded, and the spring runoff could be controlled with proper ditching and culverts. In summary, the Association can have any quality of road they are willing to pay for.

Mr. Burdette remarked that some of the roads still need major work and they are still recovering from the work that was done by the Water Company. They have learned that laying gravel on the roads immediately after the Water Company finishes their work is a poor fix, since the gravel is washed away by the next Spring. Mr. Burdette stated that the best approach is let the roads be driven on and compacted for a year before they deploy aggregates in order to build a stronger surface.

Mr. Burdette commented on a plan to replace equipment as it wears out without going in to debt or selling existing properties. He noted that at this point, all of those things could be accomplished without raising fees.

Mr. Burdette reviewed the major expenses for 2010. He noted that the Board was looking at purchasing a roller as the third piece of equipment needed to maintain the roads. They are also looking at graveling Arapaho and Aspen.

Mr. Burdette reviewed the 2010 budget that was handed out this evening and offered to answer any questions. He noted that in the past, a significant amount of revenues came from impact fees. For 2010 he had only estimated one impact fee. Mr. Burdette had broken out the revenues into three categories; land owners, cabin owners and homeowners. He showed the revenue generated by the three levels of dues, as well as the contribution from the LDS Stake properties.

Mr. Burdette had divided the expenses into two main categories. Fixed expenses are items they know they will pay and have a good idea what they will cost. He outlined items considered to be fixed expenses. Mr. Burdette explained that variable expenses are items they know they will be paying for, but have no idea of the cost. He had estimated the variable expenses for budgeting purposes.

Mr. Burdette commented on road work and road improvements. He noted that Jody Robinson would use the Ranch's equipment and do the work himself when feasible. Larger, more extensive road projects would still need to be contracted out.

In response to a question about patching holes or blacktopping below the well, Mr. Burdette stated that he had budgeted \$5,000 for asphalt repairs. In the past they have also done crack

sealing, as well as a slurry seal. He pointed out that \$5,000 would not fix every chuck hole. Mr. Burdette stated that he personally struggles with the idea of spending Ranch money to fix roads they do not own. He noted that the asphalt road is not on Ranch property.

Responding to a question regarding the use of property tax money, Mr. Burdette stated that property taxes are used for the dumpsters at the bottom of the mountain and it is used to support the Summit County school system. In addition, it pays for police and fire protection. Some of the members argued that they pay a separate fee for fire protection. Mr. Foster remarked that Summit County and Park City provide fire and ambulance service at no cost. Mr. Burdette explained that the property taxes shown under fixed expenses are taxes paid on land that the Owners Association owns. The Association owns approximately 13 parcels of land spread throughout the Ranch. Some of that land is used for things such as parking and construction staging and other parcels are sitting used at this time.

A member asked if it was correct that the Owner's Association spends as much as \$70,000 per year on asphaltting the Tollgate Road below. Mr. Burdette replied that the biggest year for asphalt work totaled approximately \$60,000.

In response to a question about property tax percentages, Mr. Burdette stated that a primary homeowner pays tax on 55% of the market value. However, a secondary homeowner pays tax on 100% of the market value. He pointed out that there was no reason to argue State tax law at this meeting.

MOTION: Mr. Burdette made a motion to APPROVE the proposed budget for 2010. Ken Whitney, Lot F-34, seconded the motion.

Debra Rakes, Lot D37, asked if there were other options for developing the roads to keep from spending a third of the annual money on the same road repairs over and over again. Mr. Burdette stated that they could asphalt every road in the Ranch, but he would fight it to the end. He explained that in the Spring when the water table rises, it sits under the asphalt and pushes it up. Driving over asphalt when it is pushed up begins to create a chuck hole. Mr. Burdette stated that they can do very little about the rising water table that occurs every year. He noted that the portions of roads that have been asphalted are at the lowest altitude and the problem still occurs. Mr. Burdette estimated that the initial cost to asphalt all the roads would be \$4.5 million plus additional money each year to patch holes throughout the Ranch. He remarked that the Board has looked at every alternative possible. He believed that the dirt roads are a unique aspect of the Ranch community.

Ms. Rakes clarified that she was not opposed to the dirt roads, but she felt it was important to find a way to keep from spending money on the same repairs each year. Mr. Burdette explained

that if they put down 3" minus on the roads and drive on it for a couple of years and then add road base, they could make a hard and durable surface road. If they purchase a roller, they can maintain those roads and keep that durable, hard condition. In addition, proper bar ditching on the sides would keep the spring run off on the side of the road instead of running down the middle. In his seventeen years on the Ranch, he has seen a huge improvements in the roads. Mr. Burdette stated that those improvements have been enhanced over the past couple of years because they now have a Ranch manager who takes interest in making the roads work. He pointed out that they are not done with the process and they will continue to bring the roads up to better maintained standards.

Mr. Burdette reviewed a summary of the revenue and expenses to show why he expected to end the year with a surplus.

Mr. Burdette called for a vote on the motion.

VOTE: The motion passed unanimously.

At the request of the members, Mr. Burdette reviewed the 2009 Budget.

Preserving Open Space

Mr. Foster stated that periodically people on the Ranch present ideas for improving the overall Ranch. He reiterated that Ted Bonnitt, E55, was instrumental in planning the emergency preparedness day during the Summer. Mr. Bonnitt has also been working towards finding ways to preserve open space within the Ranch that would benefit the Ranch as a whole without financially impacting the owners. Mr. Foster asked Mr. Bonnitt to present his ideas to the members.

Mr. Bonnitt stated that he has owned property on the Ranch for sixteen years. He camped for the first seven years before building a house. In that short time he has seen tremendous change on the Ranch and most of it has been good. He believed the greatest benefit is the sense of community as more and more people live there full-time. Mr. Bonnitt remarked that the other side of an increased sense of community is how they manage growth. He and others have expressed concern and felt it was important to look at the future. He looks at land as a valuable resource that can never be retrieved once it is built upon.

Mr. Bonnitt stated that his first question was why they have 800 lots on the mountain and how that happened. He wondered if an environmental impact study was done or if anyone discussed the repercussions if all 800 lots are built out. Mr. Bonnitt pointed out that you cannot take away a person's building rights and no one he has spoken with wants to do that. However, the

repercussions of shortsightedness from 35 years ago have come back on their watch. Mr. Bonnitt stated that the Ranch owners can deny it and let things go or they can take some responsibility and give back to the Mountain. He noted that the Ranch is recreation property with no County services. That has worked to their advantage over the years because it allows the pristine quality on the Ranch that they all enjoy. Mr. Bonnitt thought the real question is if they build out 800 lots, would they wake up one day in a subdivision with no County services. He stated that the only way to address this question pro-actively and prevent that possibility is to talk about it now.

Mr. Bonnitt stated that three years ago a group of people gathered at his place to have this discussion and there was a lot of concern about the future of the Ranch. However, the real estate market was red hot at the time and there was nothing they could do. He believed that a trend they need to acknowledge is the high price of land, which encourages people to build larger homes. More people generates more traffic on the roads and more fire hazards, which could awaken the insurance industry and make it harder for homeowners to get proper insurance coverage. Mr. Bonnitt believed those issues, as well as water issues, needed to be addressed and he had taken it upon himself, with the help of others, to address them.

Mr. Bonnitt stated that he spoke with conservancy organizations and people in the County Legal Department and found that there are opportunities that could be pursued, especially considering the state of the economy. They have an opportunity to make a difference and prevent some lots from being built out. Mr. Bonnitt stated that owners who have a lot in addition to where they have a cabin or a lot that has not yet been built, they can designate it with a conservation easement. This means that lot would not be built on and would be kept as open space. In return for the conservation easement, the County would reduce the tax assessment for up to ten acres at \$1,000 per acre. In addition, Mr. Bonnitt would like the Board to consider waiving the annual fees on those lots, since leaving it as open space would not create additional impacts. For those who own the lot free and clear, it would zero out the annual costs on the lot and create a legacy for future generations.

Mr. Bonnitt pointed out that the Association pays \$16,000 in property taxes on lots. He suggested that some of the lots owned by the Association be preserved through an easement, which might encourage people to do it themselves. It is about building a community and creating places where the community can gather. Mr. Bonnitt believed more people on the Ranch would like to have hiking trails and access trails. That could be accomplished if conservation easements were placed on some of the lots. Mr. Bonnitt commented on potential federal tax benefits that are tied to conservation easements and provided broad scenarios to explain the benefits.

Mr. Bonnitt stated that he has been working with Bob Burdette to see if there was a grounding financial basis for a conservation easement if people could afford to do it. From what they

discovered, there is a basis. Mr. Bonnitt remarked that they came up with the name “The Common Ground Initiative”, because no matter how different they all may be, they share a common ground and a love for the land. He hoped they could all work together to preserve the integrity of the Ranch. Mr. Bonnitt reiterated that this would be a voluntary, pro-active incentive and in no way would deny anyone their right to build. He also clarified that he was presenting his idea as an invited guest and not part of the Owners Association. He emphasized that they have to work together to make it a cooperative venture.

Mr. Bonnitt provided a website address of www.tollgatecommunity.org and offered to personally meet with anyone who was interested in obtaining additional information.

Ken Whitney, Lot F-34 stated that this was one of the best ideas he had heard in 30 years and he suggested that Mr. Bonnitt put his comments on the website.

Mr. Foster stated that once Ted Bonnitt has his site up, that link will be available through the Pine Meadow site. He agreed that it was a benefit to everyone on the Ranch and offered to make the email list accessible.

Plowing

Mr. Foster reported that the Owners Association maintains the road from I-80 to the winter parking lot, also known as the gravel pit, and Jody Robinson has that responsibility during the winter time. He noted that two other types of plowing occur on the Ranch during the winter. There is private plowing and most of the private plowers belong to PMEEF. All plowers on the Ranch are required to have a \$1 million liability policy and to sign an understanding of the plowing regulations on the Ranch.

Mr. Foster stated that a map would be available at the end of the meeting for anyone interested in knowing the plowing expectations on the Ranch. He noted that with the exception of a few small changes, the map looked similar to last year’s map. However, one important change was identified by a dotted purple line and Mr. Burdette had identified it as a specific line item in the budget. Mr. Foster explained that a group from both sides of the Ranch came before the Board over the summer to talk about safety issues on the Ranch. He noted that the Owners Association is careful to keep a loop through the Ranch that provides an emergency egress on one side or the other, in case one of the roads are blocked. However, in the winter they lose that egress and Forest Meadow and Tollgate have not always been connected. Over the past few years, some seasons it was kept open and others it was not. Mr. Foster noted that when the road was kept open, it was done so at the total expense and effort of people in the Forest Meadow area who felt it was important to always have a way to get off the Ranch.

Mr. Foster remarked that those owners made a strong argument to the Owners Association that it was a benefit to anyone who uses the Ranch in the winter, since a number of people park in the winter parking lot on the weekends. Should there be a jack-knife or a wreck on Tollgate, none of those people could leave the Ranch. Mr. Foster stated that the Owners Association agrees that it made sense to have an emergency egress from either side of the Ranch. Therefore, although it will be privately plowed, the Owners Association will pick up the plowing budget to maintain that connection.

Mr. Foster reviewed a list of plowing requirements for anyone who privately plows. He noted that the requirements are updated each season and anyone who plows on the Ranch is required to acknowledge and sign a letter that is kept on file.

Ranch Q & A

Animal Control

A member reported that he was attacked by a dog and had called animal control. Mr. Foster stated that animal control responds to the Ranch a lot. He is a paranoid dog owner and keeps close tabs on his dog; however, that is not true of everyone on the Ranch. Mr. Foster remarked that he periodically receives calls from people who want to know what the Owners Association is going to do about dogs. He explained that calling Animal Control is the appropriate action for dogs running loose on the Ranch or ill-behaved dogs. Summit County ordinance applies to the Ranch and Animal Control responds quickly.

Rental Property

Debra Rakes asked if something was being done about rental properties. Mr. Foster explained that the Board has sent letters of non-compliance explaining that rules and regulations prohibit short-term rentals. They have also sent fine letters but he did not believe they had received any fine payments. Mr. Foster stated that the Owners Association has no enforcement authority beyond letters of non-compliance and fines. If fines are not paid, the next step would be to pay attorneys to write letters and file lawsuits. He pointed out that in the early 2000's, half of the budget was spent on legal fees. At this point, the Board has decided against investing a lot of money in legal fees. If the general consensus of the Ranch is to address rental issues through legal avenues, that approach could be pursued.

Mr. Foster stated that another difficult part of enforcement is that the Ranch does not have an enforcement agency. Therefore, enforcement falls to the Owners Association and their ability is limited. It leaves the Board with the precarious position of having to make the call as to whether or not the residents are actually renters. Mr. Foster was unsure how they could manage it

differently. He noted that advertising cabins is not against the rules and regulations. Renting cabins is against the rules and regulations.

Stephen Jones, Lot E58, wanted to know why they could not enforce advertisements that show a cabin is available for rental. Mr. Jones stated that if the Board was not going to enforce the rules and regulations in place through fines or lawsuits, they should eliminate that regulation altogether. Mr. Foster asked if that owner was in favor of hiring an attorney to address the rental issue. Mr. Jones replied that they should either pursue it or eliminate the regulation.

Alan Jones wanted to know what happens if a land owner does not pay his dues. Mr. Foster stated that they could eventually lien a property. Mr. Jones wanted to know if they could lien a property for fines. Mr. Foster stated that they could, but nothing happens with a lien until the property is sold.

Ms. Rakes, Lot D-37, felt something should be done about rentals because they are beginning to multiply. She worried that it could get out of hand and create potential problems.

Tom Deaver, Lot E71, understood there was a contract that owners sign and he suggested that rentals be addressed in that contract. Mr. Foster explained that it is a construction agreement that was revised last year to be more detailed and to clarify the construction policies on the Ranch. He noted that when someone who builds on the Ranch and signs the agreement, the language states that they understand that short-term rentals are prohibited on the Ranch. The contract is an effective tool for making people understand the rules, but someone can choose to disregard the rules.

Mr. Deaver asked if the Board could hire an attorney to require someone who chooses to rent short-term to obtain a business license. Mr. Foster replied that most of the people he encountered already have a business license. He noted that pre-2002, prior to the Olympics, Summit County changed the requirements and rental businesses no longer fall under the same commercial guidelines.

Mr. Foster clarified that when he approaches people he is not a fool and knows when someone is a renter. However, if they give him another explanation or say they are someone's friend or relative, he has no way to disprove what they are saying or that they are breaking the rules and regulations. He reiterated that it is a complicated situation that the Board has discussed many times in the past three years. Mr. Foster suggested that if the members were interested in having a longer discussion, he would put it on the agenda for a regular meeting.

A member stated that Mr. Bonnitt talked about protecting and preserving the mountain the way it is, yet the HOA is not willing to take ownership of enforcing the rules and regulations that

everyone bought in to when they purchased their property. It does not matter if they have a conservancy model because if people are allowed to break the rules and regulations, nothing will ever be preserved. He stated that the HOA needs to decide if they want rules and regulations and if they intend to enforce them the best way possible; or if they should just do away with rules. It was stated that the Board should find ways to communicate more effectively with the property owners who are not following the rules.

Mr. Foster appreciated the frustration expressed, but he had not heard a suggestion for what the Board could do differently. A member remarked that the Board had been elected to make those decisions and it was their obligation to figure out enforcement and what they can and cannot do.

Dan Heath remarked that property owners have rights and the Board cannot stomp on those rights. The Board has an obligation to live within the CC&R's and enforce the covenants, which they have done when appropriate. Mr. Heath felt it was unfair for the members to blame the Board for lack of enforcement when they do not have enforcement powers.

Mr. Foster preferred to table further discussion on this matter until a regular Board meeting when the full Board is in attendance and they are not taking the time of those who were not interested in this discussion. Mr. Foster stated that he would put the topic on a regular agenda and he encouraged those who attend to come with suggestions. He noted that the group of eleven Board members has spent a considerable amount of time trying to resolve the same issues they are being asked to resolve this evening. The Board has been unable to find a solution and he was interested in hearing from anyone who thinks they might have that solution. Mr. Foster understood the frustration because it was also frustrating to the Board.

Emergency Exits

Ted Bonnitt stated that over the next summer he and others intend to lay some ground work to look at fire exits in addition to Tollgate. His research has found that there is interest in pursuing those exits. The sheriff and fire fighting people and the community is helping them make inroads by putting up crash gates and other things in return for allowing that access. He looked for continued support from the Ranch community to progress with those exits.

MOTION: Steve Jones moved to adjourn the annual meeting for 2009. Scot Erickson seconded the motion.

VOTE: The motion passed unanimously.

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The annual meeting of the Pine Meadow Ranch Owners Association adjourned at 8:23 p.m.
