

**MOUNTAIN RANCH ESTATES ANNUAL MEETING
NOVEMBER 6, 2013**

7:30 P.M.

TRAILSIDE MEETING ROOM

1. The meeting was called to order with the following board members in attendance: Sharon Mardula, Patricia Kempton and Paul Martin. The HOA attorney, Natalie Segall, was also present. A list of the owners in attendance is attached.
2. **Quorum.** A quorum requires 27 owners. There were 28 proxies and 27 members in attendance.
3. **2013 Recap** – The President, Sharon Mardula, gave the report.
 - a. Summit County repaired some of the broken sidewalks this summer.
 - b. A bench was installed along one of the Mountain Ranch trails.
 - c. The landscaping of the four corners of Trailside Drive and Mountain Ranch Drive was completed.
 - d. Bark was installed in all the tree wells to retain moisture and encourage tree growth.
 - e. A Lighting Policy was established and disseminated.
 - f. Summit County improved the drainage on the south side of Trailside Drive by the Pettigrew's residence.
 - g. Weed control was done throughout the community.
 - h. The electric power boxes by the mail kiosk where graffiti had been sprayed were painted.
 - i. Additional gravel will be installed on Trailside Drive by the mail kiosk and at the Trailside Drive and Old Ranch Road intersection.
 - j. The Board resolved the noise and nuisance issue relating to dogs with one of the neighbors.
 - k. Re-established the Architectural Committee to the required three members with at least one alternate.
4. **Finances.** Paul Martin gave the financial report.
 - a. Assets. There is \$45,840 in the savings account and \$22,815 in the checking account.
 - b. Anticipated 2013 Profit & Loss. \$13,000 was put into the savings account this year. There were lower than expected landscaping costs for the year.
 - c. 2014 Budget – The budget includes the cost for fiber optic internet service for homes in the community. The Board has been working with the Trailside community to solicit proposals from CenturyLink and Comcast to provide fiber optic internet service. The Board will get final numbers within the next two weeks with a proposed length of contract, speeds and costs. If the HOA dues remain the same, this bulk internet service could be provided using HOA funds with a small deficit anticipated for 2014. There are extra funds on hand to take care of this deficit.
 - d. Reserve Account Designation. By the State of Utah Community Association Act, the Reserve Fund is designated for repairing, replacing, or restoring common areas that have a useful life of no fewer than three years but less than 30 years. These funds cannot be used for daily maintenance expenses, unless a majority of association members vote to approve the use of reserve fund money for that purpose. For this reason, the Board presented the following motion:

Over the past few years, the MRE HOA has built up a meaningful excess savings balance. Recently, however, Utah law changed with regard to HOA funds, and now, under the current Utah law, a large portion of these funds may only be used for very specific capital projects that are most applicable to communities with shared amenities (such as a swimming pool or common recreational building). In order to use these funds for any other purpose requires a vote of the Members (quorum). In order to maximize financial flexibility for the HOA going forward, the Board is asking Members to vote to affirm that the purpose of the HOA's reserves is for both capital and operating expenses.

The motion was seconded and passed. Therefore, going forward, the HOA reserves are for both capital and operating expenses.

5. 2014 Goals.

- a. The HOA Board will make a decision about internet service for Mountain Ranch Estates. A survey was taken and the results were: 30 people in favor and 2 against. There is currently no fiber optic service available in the neighborhood. Owners must use a wireless internet provider. The available upload and download speeds are currently very slow. The Board will provide the detailed internet service information to the members as soon as it is available.
- b. Landscape maintenance and improvements will continue. The trees in the new traffic islands continue to struggle. The trees were replaced once and are struggling again. The Board had an arborist come on site to analyze the issue and he has indicated that there is not enough volume of soil to support trees there. He suggested that shrubs and day lilies would do well in this area instead.
- c. The HOA Board will urge the County to fix more of the broken sidewalks next summer.
- d. The HOA Board will encourage owners to take care of any weeds on their property since the HOA is putting a lot of effort into eliminating weeds along the trails and in the open space. Native grasses are acceptable but weeds should be eliminated from owners' properties.

6. Member Discussion.

- a. Noise/Dog Issue. The Board met with the owners to discuss the ongoing concern about the number of dogs and the barking on the property. The owners were in the process of getting a private kennel permit from the County but after the meeting, they agreed to withdraw the permit application. Since then, they have become second homeowners taking the dogs with them. The Board's goal was to not enter into litigation over this issue. Someone asks if these owners could be asked to remove the unsightly bags of gravel and the posts that were installed in anticipation of constructing a fence. Since then, this idea was abandoned but the materials remain. The Board will follow up on this issue.
- b. An owner asked if reducing the dues was being considered since there is such an excess of funds. The Board did consider reducing the dues but decided to wait until a decision was made in regard to the internet service. If a bulk contract is entered into, then the available funds can be used to offset this cost. Brooke Connery volunteered to help with the internet investigation.
- c. This past year, two board members resigned. The three remaining Board members decided, with the advice of counsel, to move forward with the three board members as stated in the Mountain Ranch Estates Bylaws. The Board was aware of the vote at the 2007 annual meeting where the members voted to increase the number of board members to five. However, since

there was never an amendment to the Bylaws to indicate this, the attorney advised the remaining three members board that they could go forward with three members as stated in the Bylaws. During the annual meeting, David Teasley raised the issue of five versus three board members. He felt that the HOA should have five board members, not three. He sought independent legal counsel at Vial Fotheringham to get an assessment of this legal issue. This legal opinion is attached. After further review by MRE's legal counsel it is noted that in 2007 when the vote was taken, the Bylaws did not have to be amended and recorded to be legal and valid. Therefore, the Board agreed to a vote as to whether the HOA members preferred a three or five member board. After discussion, there was a motion to ratify the five member board that was voted into being in 2007 and that all the actions taken by a five-member board to-date are valid. The motion was seconded and passed.

- d. Michele Morris commented that she was opposed to taking trees out of the median to replace them with shrubs and daylilies as planned by the Board and she was opposed to cutting the social committee funds.
- e. There was discussion about forming a Beautification Committee for Trailside. Some owners would like to see curb and gutter on Trailside to make it look more polished.
- f. Trevor Adrian asked that signs be installed at the trailheads indicating that the trails were private and to keep dogs on leash. He thinks that the MRE private trails are being used by people who are not owners in Mountain Ranch Estates. He feels that he is being inundated by unleashed dogs and that there is a noticeable reduction in wildlife in the common areas. He offered to have his shop design and make the signs for installation.
- g. Derek Smith wanted to change the CC&R's to allow the parking of trailers in driveways for a specified amount of time. It was the opinion of the HOA attorney that the HOA could not amend the CC&R's to allow trailers during this meeting because the issue should be noticed to all members and would require an affirmative vote of 2/3 of the members. The attorney did indicate that an HOA rule could possibly be made to allow trailers to be parked in driveways for a specified amount of time, like 48 hours. Currently, the CC&R's do not allow the parking of trailers in driveways at all. It was acknowledged that the CC&R's may be outdated and that it might be wise to form a committee to review them and then make suggestions about proposed changes to the members. The Board and Architectural Review Committee will be meeting in the very near future to discuss trailer issues and will discuss allowing this type of parking for short periods of time at that meeting.

7. **Election of the Board of Trustees.** The Nominating Committee nominated five candidates (Cliff Soechtig, Derek Smith, Anna Graf, David Teasley and Tanya Fleischer) and each spoke about their experience and thoughts on serving on the Board. The election was held and ballots tallied. Ana Graf, David Teasley and Tanya Fleischer were elected.

8. **Meeting Adjourned.** The meeting was adjourned at 9:45 p.m.

THESE MINUTES WERE TAKEN BY BRENDA LAKE.

NAME

DATE