

May 13, 2006, Minutes of Board Meeting
Swain's Creek Pines Lot Owners' Association

Meeting called to order at 10:10 AM. Alan Zellhoefer, Andy Osterhout, Gayle Cromer, Irene Briggs, John Ewing, Gary Decker, Frank Pearce, and Cheryl Case were present. Manager Bill Rodreick was also present. Robert Storie was not present. Ed Robbins, attorney for Kane County Water Conservancy District (KCWCD), was present for water related issues.

Secretary's Report – provided by Cheryl Case who stated minutes should be amended to delete 'annual' on the first line. Motion by Irene Briggs to accept the Secretary's report. Seconded by Gayle Cromer. Motion carried. January 14, 2006, minutes accepted as amended.

Vote of the Board to ratify and approve the resolutions and actions taken by the Board pursuant to the Special Meeting of the Board held April 29, 2006 – Gary Decker stated he was concerned about costs, possible increased fees, and the special meeting with short notice; he has determined the meeting was a necessity. Frank Pearce agreed, summarized his concerns, and stated the Water Committee should have been involved. Alan Zellhoefer summarized the results of the April 29 meeting. Motion by Irene Briggs to ratify the meeting of the 29th as being a Special Meeting; 100% of the members of the Board are in favor of the meeting and the meeting was held with ten days notice instead of thirty days notice. Seconded by Gayle Cromer. Motion carried unanimously.

Report of the vote outcome concerning the agreement between SCPLOA and the KCWCD dated April 29, 2006, regarding the installation of a piped water system – Results of the votes were 34 against, and 421 in favor of proceeding with the proposed piped water system. Alan stated the KCWCD fee is \$4,000 to hook up; the fee to hook up after the system is installed is estimated to be \$8,000. Our website should have information about construction, with updates to show when meters will be exposed for hook up. Dave Robert stated roads in Harris Springs were not graded; he asked for help from the Board as the County stated Harris Springs lot owners may be charged an assessment to improve roads in Harris Springs. Ed Robbins stated engineering drawings show where the roads should be. Gail Smith stated the 15 Harris Springs lot owners were supposed to meet and decide to dedicate land for the roads; roads would have to be brought up to today's standards at the expense of the 15 lot owners. Ed Robbins stated Sunrise Engineers has the right of way forms, which are being sent out to lot owners. Dave Roberts stated easements have been signed. Irene Briggs stated the County Commissioners directed the 15 lot owners to submit a proposal to the Commissioners. Irene proposed an attempt to get the 15 lot owners together; she will assist. Frank Pearce stated he would also assist; the Board supports the Harris Springs lot owners but has no legal responsibility for the Harris Springs roads. All 15 lot owners must be willing to dedicate roads to the County. Frank & Irene will work on this issue; the County will be contacted.

Cheryl Case stated the April 29, 2006, minutes of the Special Meeting should be amended to reflect Dustin is spelled “Dustyn”. Motion by Irene Briggs to accept the minutes as amended. Seconded by John Ewing. Motion carried. April 29, 2006, minutes of Special Meeting accepted as amended.

Motion by Irene Briggs to recess for ten minutes as documents need to be signed and given to Mr. Robbins. Seconded by Gary Decker. Motion carried. Meeting recessed at 10:50 AM.

Meeting recalled at 11:05 AM.

Treasurer’s Report – provided by Irene Briggs who stated the balance in the petty cash fund is \$300.00; the balance in the Reserve To Preserve account is \$101,097.50; the balance in the regular account is \$58,466.54. The positive cash flow year-to-date is \$42,056.29. Motion by Cheryl Case to accept the Treasurer’s Report. Seconded by Frank Pearce. Motion carried.

Manager’s Report – provided by Bill Rodreick who stated Dave Alcorn has replaced Tom Wells as the relief driver. The first water test for bacteria was negative, the nitrate results have not been received, the first fish plant was May 3. 600 pounds were planted. Fish cost \$4.25 per pound, up from \$3.50 last year. Most fish are 12-13”, some are larger. Bill may be able to get a slightly lower price for the next load of fish. The runway was repaired and rolled but has been rutted again by an ATV and needs to be repaired again. The Sheriff was contacted and trespassing is now a class B misdemeanor with a penalty of up to six months in jail plus a \$1,800 fine. Bill asked people to inform him if they see anyone on the runway, and to provide a description of the vehicle. Bill spoke with Larry Reedhead who intends to finish the slash piles in two weeks. The Stop, Shop & Swap will be Saturday, July 1, from 10AM – 3PM. Those interested in renting a table should contact Bill. Alan stated those catching fish should keep all sizes caught. Small fish that have been caught and released often do not survive. Anyone who wants to catch and release fish should pinch the barbs down.

Committee Reports –

Budget – Irene Briggs summarized the budget and expenses and stated budget for mailing and legal should be increased. Following discussion, Frank Pearce moved to increase the budget for legal to a total of \$6,000 for this year, and increase the budget for mailing by \$1,500. Seconded by Cheryl Case. Motion carried.

Liens – Irene Briggs stated no new liens have been filed since January. As of May 9 there are 65 lot owners who own 95 lots that are past due. The letter informing them of the \$10 late fee has been mailed and a few checks were received. Nine properties had changed hands and the new owners did not receive the dues notice. Frank Pearce suggested additional language to notify escrow companies, and pro-rate the amount.

Reserve to Preserve – Irene Briggs stated \$40,000 will be paid to KCWCD.

Labor Day – Gayle Cromer stated her cabin will be listed for sale, and Andy Osterhout will be out of town. Alan Zellhoefer volunteered to be on this committee. Bob Runkle and Dee Ewing are also on the committee. Bob stated there has been difficulty getting volunteers and suggested we stop doing the pit bar-b-que; the annual dinner could be

entirely potluck. Following discussion, Bill Rodreick suggested we have the pit bar-be-que this year with the understanding that this may be the last year. Frank Pearce suggested we stop some activities if there are not enough volunteers. Bob stated at least ten are needed for the fire pit. Irene stated at least 25 are needed for Camp Golden Eagle. This information will be included in the next newsletter; if there are not enough volunteers by the July meeting, some activities may not take place. John Ewing stated those who volunteer for the fire pit need to bring gloves.

Water and Pond – John Ewing stated there is a lot of water and expensive fish. Bill Rodreick stated the Harris Spring is still running, but is not running to the overflow. The spring at the south end of the development is running well over ten gallons per minute. The two control gates on the pond are wide open and screened. Buddy Madden asked about scheduling potluck dinners. Cheryl Case to schedule the dates for the potlucks.

Insurance – Irene Briggs stated the insurance is expensive and is paid. The insurance rider from Bill Rodreick's corporation has been provided.

Environmental & Fence – Alan Zellhoefer stated the property line needs to be checked. Dee Ewing and Norm Case are involved with repairing fence. Bob Runkle stated Paul Hicks would walk the fence line.

Roads, Parking & Facilities – The Harris Springs roads were previously discussed. Frank Pearce stated he wants to be notified of any road issues.

Fire & EMS – Irene Briggs stated she received an e-mail from Paula Sheppard, of the Cedar Mountain Fire Protection District (CMFPD). A metal fabricator is making a case to hold the defibrillator; the case should be ready by the end of this month. One defibrillator will be installed on the outside of the barn at Swain's Creek. Frank Pearce asked about the proposed fire station at Swain's Creek. Alan stated the target date is 2007; a site has not been chosen. Irene Briggs stated she received an e-mail from Scott Clemans, Public Affairs Officer for Dixie National Forest and North Kaibab Ranger District. They will start a multi-year fuels reduction project this summer. Irene further stated arrangements have been made to use the national alert system when there are emergencies on I-15, State, and Federal thoroughfares. Broadcasts will be on local radio stations. Frank asked for a link to be included in the newsletter. Irene will contact Scott Clemans.

Newsletter – Cheryl Case stated information to be included in the next newsletter should be provided to Karen Kegley by tomorrow. Bob Runkle suggested information about the dumpsters be included. Irene Briggs stated Dale Flanagan, of the Forest Service, has decided dumpsters will not be placed near the highway. Six dumpsters can be placed within the sub-division with 7-day per week pickup this year. They will fence or screen around the dumpsters to reduce garbage flying around. Currently dumpsters are available across Highway 14 at the State Yard, at Todd's junction. There was discussion regarding possible areas for the dumpsters. Alan recommended lot owners take their garbage out with them until a solution is found. Andy Osterhout suggested keeping the dumpsters out of Swain's Creek. Irene and Frank will work on finding a place; this issue is under the Roads, Parking & Facilities committee. Gayle Cromer stated the State Yard is about six miles from Swain's Creek, at Highway 89.

Elections – Gayle Cromer stated Cheryl is responsible for getting people to run for the Board; Una Runkle has also worked on elections.

Personnel Supervisor – Irene Briggs thanked Bill Rodreick for finding a replacement for Tom Wells.

CC&Rs- Irene Briggs stated attempts have been made to revise the CCRs and By-Laws for a number of years. The By-Laws require the Association to provide water; an Obsolescence Clause will need to be filed after the water system is in. The By-Laws and CCRs should be revised. Our attorney, Bruce Jenkins, has started the process.

Nominations – Cheryl Case stated we will have four openings for the Board starting January, 2007. Anyone interested in the position should contact Cheryl.

Architectural – Alan Zellhoefer stated Stan Roth submitted a plan for a cabin on #533. Bill Rodreick stated an application is needed. Bill Rodreick stated he has two more. Mark Lee has submitted a plan for a garage on Sarah Burton’s lot. Mark stated he would submit an application. Motion by Gary Decker to approve both plans in keeping with the concepts of our architecture for the community. Seconded by John Ewing. Motion carried. Irene Briggs stated a builder submitted plans and built a different type of cabin on a lot. Irene proposed requiring a \$25,000 bond prior to approval of plans; if they don’t build based upon approval they would forfeit the bond. Terry Nelson stated he built the cabin which was different from the plans because the buyer, Richard O’Neale, wanted a different cabin. The Board was not available in the winter and got approval from the County. Terry apologized to the Board. Bill stated the original plan was approved. Alan stated Board members can be contacted at a Board meeting or by email. Board members can be contacted by telephone. As to the issue of requiring a bond, Gary Decker moved to require a bond from building contractors, but single homeowners should have a review prior to determine if a bond should be required. Following discussion, Frank Pearce moved to authorize Irene to pursue inquiries to our legal counsel on matters affecting bonds to a construction company. Seconded by Cheryl Case. Motion carried. Gary withdrew his Motion pending a report back.

Land Donation - Alan Zellhoefer this issue is ongoing. Barbara Christensen stated some of the land may become sellable. She has not decided what to do with the land. Barbara stated she would meet with Mike Noel and Ed Robbins. If there are sellable lots, she may sell them. Alan stated if the land is gifted to the Association, it has been committed to KCWCD. Barbara stated Mr. Noel informed her he would sell some of the land.

Water Conservancy – Frank Pearce stated if people know contractors who do piping trenching and plumbing, lot owners may be able to get together to see if group rates are available. Irene stated KCWCD will send out info that will include a list of contractors. Frank suggested lot owners cooperate to get work done and cut costs. Irene stated Jeff Hoyt, the certified water operator, recommended that lot owners have trenching done before water construction is done. Alan stated lot owners can mark their property where they want their meter placed. Bill Rodreick stated the meter is to be placed within your utility easement. Utility easements are 5 to 10 feet from your outside property line in the roadway, depending on where your property is in the development.

Security – Irene Briggs suggested the Association provide 20 gallons of gas per week to Bob Runkle who has volunteered to be roving security. Irene stated she contacted our insurance company and explained we have an informal neighborhood watch type of program. No additional insurance is needed as long as volunteers contact police and do not confront people on their own. Signs should not say “Swains Creek Pines Security”. Signs may say either ‘Swains Creek Pines’ or “Security”. Irene encouraged Board members to put “Board Member” signs on their vehicles. Motion by Frank Pearce to authorize the Board to provide up to twenty gallons per week for this purpose. Seconded by Irene Briggs. Motion carried.

Old Business –

Manager and Assistant manager contract – Irene Briggs stated the changes to the agreement are that the contract is with Bill Rodreick’s corporation instead of Bill individually, there is a personal indemnification, and insurance has been provided. This contract dated January 14, 2006, supersedes the prior contract dated May 1, 2005, pursuant to approval by the Board on January 14, 2006. This is a one-year contract. There is also a contract for Dave Alcorn to sign.

Ablahoni & Lloyd lawsuit – Irene Briggs stated our attorney sent their attorney a letter in December regarding scheduling; their attorney has not communicated back with our lawyer. We have provided the disclosure of the involved parties as requested by our attorney.

Corcoran issue – Alan Zellhoefer stated we have made numerous attempts to resolve this issue; the quonset hut does not blend as it is aluminum silver. Alan stated he has volunteered to help paint it, has researched how to paint the structure, and this issue has not been resolved. Frank Pearce requested confirmation that our CCRs give authority to take action. Irene stated our attorney previously advised we had authority to take action on a different lot. Frank requested a current assessment from our attorney. Gary Decker asked if we would incur long-term liability for maintenance. Frank requested that issue be addressed with our attorney too. Barbara Christensen stated there is a rule about the time limit to complain; she could look for the case and provide a copy. Alan stated the operative date would be the date the matter was brought to Mr. Corcoran’s attention that the structure was not acceptable. Frank stated Mr. Corcoran did not comply with the agreement as the building has not been painted. Motion by Frank Pearce to have our attorney verify our authority to act and the proper methods to act and to formally notice Mr. Corcoran of our doing so and of our intent to bill him for all expenses related to this matter. Alan requested a letter be sent outlining the plan to move forward on this issue and to hold him responsible for fees and expenses, with a response due date. Alan stated we should proceed with our attorney to get points and authorities on this issue, and to know where we stand on going in and redressing current violations. John Ewing suggested the preliminary letter include that we would like to resolve in a manner to avoid additional fees. Frank modified his motion as follows: Frank moved to have our attorney research our authority under our CCRs and By-Laws to take action against lot owners deemed possibly in non-compliance. Seconded by Gary Decker. Motion carried. Motion by Gary Decker that the Chairman of our Board contact the property owner to alert him to actions we feel are important with regard to attorney’s guidance and pursuing

this matter since there has been no action taken on his part. Seconded by Irene Briggs. Motion carried.

Open meeting – None.

Meeting schedule – The August 12 meeting was changed to August 26, and the September 2 meeting has been cancelled. Meetings are scheduled for June 10, July 15, August 26, (September 3 annual meeting) and October 7. The January meeting is scheduled for January 29, 2007.

Alan stated a letter would be sent out the first part of June from KCWCD, which should include a deadline for payment. There was discussion regarding trenching prior to constructions. Trenches should not be left open.

Motion to adjourn by Frank Pearce. Seconded by Irene Briggs. Motion carried. Meeting adjourned at 1:00 PM.

Respectfully submitted,

Cheryl Case, Secretary