

PINE RIVER RANCHES LANDOWNERS ASSOCIATION, INC.  
MONTHLY MEETING  
JUNE 12, 2007

The meeting was called to order by President Jim Clay at 7:05 p.m. Board members in attendance: Jim McCain, Chip Burkett, and Pat LeRoy. John Wickman was absent. Guests present: Diane Shipman, Pat Watson, Judy Clarke, Glen Watson, Angela Diedrich, and Richard Benzie.

The minutes from the May 8, 2007 were e-mailed to the Board Members, a few landowners, and posted at the bulletin board and on the webpage. Jim Clay had three additions to the minutes for clarification: (1) page 2, 7<sup>th</sup> paragraph, line 5 to read - an emergency second exit from the subdivision. (2) Line 6 to read - fish fund and pond maintenance. (3) Page 2, 9<sup>th</sup> paragraph first line to read - the approved 2007 budget did not indicate a need for the increase. Pat LeRoy will make these corrections to the minutes. Minutes were approved with these corrections.

Pat LeRoy presented the Treasurer which was approved as read.

|                                     |               |                  |
|-------------------------------------|---------------|------------------|
| General Account Balance May 8, 2007 |               | \$ 17045.76      |
| Deposits:                           |               |                  |
| Impact fees                         | \$374.94      |                  |
| 2007 Annual Assessment              | 90.00         |                  |
| 2008 Annual Assessment              | 10.00         |                  |
| Fish Fund                           | 75.00         |                  |
| Interest                            | <u>37.34</u>  |                  |
| Total Deposits                      | \$587.28      | <u>\$ 587.28</u> |
| Balance June 12, 2007               |               | \$17633.04       |
|                                     |               |                  |
| Winter Account Balance May 8, 2007  |               | \$ 9924.89       |
| Deposits - Interest                 | \$ 14.98      | <u>+ 14.98</u>   |
| Sub total                           |               | \$ 9939.87       |
| Expenses                            |               |                  |
| Neils ½ truck fee                   | \$ 40.00      |                  |
| Neils gravel                        | <u>566.46</u> |                  |
| Total Expenses                      | \$606.46      | <u>- 606.46</u>  |
| Balance June 12, 2007               |               | \$ 9333.41       |
| Total both accounts                 |               | \$27266.45       |
| Fish Fund Donations                 | \$828.50      |                  |

The following invoices were submitted for payment:

|                             |           |                                    |
|-----------------------------|-----------|------------------------------------|
| Accredited Services, LLC    | \$ 350.00 | Weed spraying at pond              |
| Goldman, Robbins, Nicholson | 1367.66   | Legal Fees re: Senate Bill 89, 100 |
| Jim Clay                    | 800.00    | Fish                               |
| Jim Clay                    | 158.00    | Culvert                            |
| Jim Clay                    | 15.00     | Fuel charge                        |

Chip Burkett clarified that the budget for the weed spraying was \$500, culvert and materials for the intersection of PRRC and Ludwig is \$1200.00; Legal fees budget is \$1500.00 Chip Burkett made a motion that these invoices be approved for payment, second by Jim Mc Cain. Motion passed unanimously.

**OLD BUSINESS:**

Angela Deidrich reported that the control burn at the pond did not take place as the Fire Department was

unable to accommodate us. Permission was granted for the Diedrichs to burn the piles of material taken from the pond. The grass was too green to burn at that time. Best time to burn would be in late March and April when the Fire Department comes to test their pumps.

The weeds at the pond were sprayed May 15, 2007 and we will see how effective this spraying is.

Jim Clay has contacted Vital Signs and the new signs should be available in 2 or 3 days. The signs will be larger with reflective paint for the Ludwig and PRRC sign.

Culvert has been installed with the help of several neighbors. Road base will be delivered tomorrow. The project will widen the corner by about 3 feet and should help with the road edge sloughing off.

Board members have not been able to coordinate a time for filling the potholes with hot mix. The hot mix was not available due to weather conditions until May or June. Jim Clay will contact board members in an attempt to accomplish this task.

Pat LeRoy gave an overview of the letter from the attorney. This letter with all of the attachments is posted on the webpage and will be mailed to all subdivision landowners. The attorney has suggestions to clarify 5 different Covenants. In addition there are 8 necessary policies and procedures which must be adopted by the Association. There are two additional obligations that are imposed by CCIOA on the Association. Pat LeRoy has indicated her commitment to this task. She suggested a committee of 3 to 5 members; work sessions of two hours one day a week; meetings for landowners input; submit draft to Board for its review and approval; review of draft by attorney; send a draft of changes to landowners in January for their response. This would be a sub-committee. All items addressed must be approved by the landowners and recorded. The attorney can draft sample policies and procedures for the Association's review and possible adoption.

Following the last meeting Jim Clay and Jim McCain met with a representative from Neils. The cost for gravel is limited to \$9500.00. If the roads are dry, Neils will provide a water truck at no charge. Neils has reported that there is so much water at the gravel site that the crusher can not get into the area. The board needs to decide whether to wait for the area to dry out or go with gravel that costs more and order a lesser amount. The ideal time to do the gravel has passed. After some discussion, the Board decided to wait until the originally contracted gravel becomes available.

#### NEW BUSINESS:

The Board reviewed all of the items needed for the annual meeting mailing: letter from the President; letter from the attorney; budget; proxy; road plan; treasurer report.

The 2008 budget was discussed. Based on the road plan, the proposed budget for 2008 indicates a need to increase the 2008 Annual Assessment 15%. The proposed road plan establishes a regular schedule for routine maintenance. This plan will be included in the mailing to the landowners. The cost of the grader is \$1230.00 which is an additional cost increase over the 2007 budget. Legal fees may also increase. All other budget line items remain the same. The Winter Account budget is \$622.00 over budget. Snow removal costs have been minimal the past two years. The Winter Account has funds remaining from previous years. Motion passed unanimously to recommend to the landowners the 2008 budget with the 15% increase.

After reviewing budget expenses for the remainder of 2007, the Board feels the need to transfer \$3000.00 from the Winter Account. This would leave a balance in the Winter Account of \$3990.00. This is a proposal to be presented to the Landowners for their vote by paper ballot. The transfer of funds from the Winter Account was discussed at the 2006 Annual Meeting and passed by majority vote by the Landowners in attendance and by proxy. This proposal has not been sent to all landowners for their approval nor recorded.

Pat LeRoy made a motion to propose the transfer of \$3000.00 from the Winter Account to the General Account. This proposal will be presented at the annual meeting. Motion seconded by Chip Burkett. Motion passed unanimously.

The annual meeting is scheduled for Saturday, July 14, 2007, 10:00 a.m. at the Upper Pine River Fire Department on CR 501 across from the Forest Lakes Subdivision. The annual picnic will follow adjournment at the home of Jim and Cheryl Clay. The Board will provide hamburgers, hot dogs, some drinks, and paper products. The minutes from the 2006 Annual Meeting will not be read. Additions and corrections will be asked for. Extra copies of the minutes will be available. Pat LeRoy will contact Karola Hanks regarding the second exit in time of emergencies from the subdivision and other items of interest. The letter and other information will be mailed by Thursday, June 14, 2007, to all landowners.

The 2<sup>nd</sup> annual Kids Fishing Derby will be June 30<sup>th</sup>, 4-6 p.m. We would encourage families to stay and picnic. Last year 12 kids enjoyed the fishing, drinks and snacks. The board approved spending \$28.50 remaining from donations to the fish fund for the derby.

The agenda for the annual meeting was reviewed. Note was made that there will be a need for paper ballots for the vote for Board of Directors, proposal to transfer funds from the Winter Account, 2008 budget with the 15% increase, and the 2008 Annual Assessment. Highlights of the past year will be included. Anyone who has an item for discussion must contact the President by July 12, 2007. Chip Burkett suggested that we compile something regarding Landowner's Education to meet the requirement of the Senate Bills. The agenda was approved.

Pat LeRoy asked Pat Watson to obtain some information regarding noxious weeds from the County Extension office for the annual meeting. With the dry conditions and wildfire season approaching, there is concern by landowners about the high grass and dead wood on several lots. Jim Clay will contact some owners by letter. Jim Clay had contacted BP about the break up of the asphalt by the mailboxes. They checked this out and reported that there was not any methane leak. They did mow most of their lots. Lot #1 was not mowed or dead trees were not removed.

There were two applications to the Design Committee/Board. Jim Clay presented draft drawings for an addition to the garage/bunkhouse. Jim Clay excused himself from any discussion except to answer questions. Jim McCain assumed charge of the meeting. The Board reviewed the plans and approval was withheld pending submission of blueprints and whether there is any concern with the rear of the building meeting the setback requirements for the river and the fishing easement, and a site plan. Jim McCain suggested that this be tabled until Jim Clay is able to provide these answers.

Jim Clay presented drawings for additions to Dick Benzie's home for approval. The first item for consideration was the addition to both the front and rear of the existing residence. The residence was built right at the 40 ft. front set back. The addition would bring the front corner of the residence to a set back of 30 feet. The Board discussed whether it has the authority to grant a variance for a front set back. The Board feels they would need legal advice before acting.

The second plan submitted is for new construction of a detached office/game room with a front porch and a carport on the back. The square footage does not meet the requirements of 600 sq. ft. as stated in CC&R #8 and therefore is not approved as presented.

At this point, Dick Benzie, joined the meeting and Jim Clay shared his review and response from the board concerning his plans. Jim explained the question as to whether the board has the authority to grant a variance for the 40 ft. front set back. The office/game room does not meeting the minimum square footage. Dick said he would make this building bigger. After some discussion and suggestions, the Board asked for: (1) set of blueprints (2) site plan (3) Legal advice concerning the authority to grant a variance for a front set

back. The county has a process to grant a variance but the Association does not have a process or policy. Dick Benzie will contact Jim Clay regarding a legal opinion.

Larry Black from Bayfield Realty contacted Pat LeRoy with some questions regarding property in Pine River Ranches Subdivision 1 -

1. Do the PRRLA By-laws and CC&Rs govern Subd? 1?
2. Any plans for assessment for capital improvements?
3. Do these residents have fishing rights in river and pond?
4. Any signed agreement for road use?

Answers -

1. Subd. 1 had their own CC&R's when they bought their property and before Subd. 2 was developed. The Articles of Incorporation include Subd. 1. Subd. 1 landowners chose not to be included with of Subd. 2.
2. There are no plans for capital improvements.
3. The plat of Pine River Ranches states that they do have fishing privileges.
4. There is no formal agreement for the use of the road and bridge. Upon payment of the annual assessment they are granted use of the road and bridge. This has been the understanding forever. No letter has ever been sent annually to any of the residents of Subd. 1 granting use of the bridge or roads.

The consensus of the Board is that we do have to follow By-law 2.2 and send a letter giving written permission by the Board of Directors, renewable annually. Pat LeRoy will draft a letter for the Board's review and approval.

Judy Clarke expressed concern about the rights of renters and this may be an item to be included in the CC&R's and By-laws and legal opinion may be necessary.

There was some discussion about how the Impact Fee applies to lots outside Subd. 2. The consensus is that the other lots are excluded according to By-law 4.0.

Landowners expressed concern about the potholes on the lane. It was suggested that the Board contact Four Corners who applied the chip and seal.

Pat Watson brought to the Board's attention that at the annual meeting last year, a renter was given a proxy by the landowner to vote. The proxy should have gone to an Association member.

Landowners expressed concern regarding extra vehicles parked along Pine River Ranch Circle and along a shared driveway. The Board was asked to express their concerns to the Landowners.

The intersection of Pine River Ranch Circle and Ludwig has tall grass growing along both sides of the road causing poor visibility for drivers on Pine River Ranch Circle as they approach Ludwig. Judy Clarke presented information regarding an implement which can be pulled behind an ATV to cut grass along the roadside. It was suggested that donations be accepted to purchase this item.

The meeting was adjourned at 10:45p.m.

The meeting was reconvened at 10:55p.m. Pat LeRoy discovered that one agenda item had not been addressed. Three liens have been filed and the notices and copies of the liens were mailed by certified mail and not picked up at the post office. Payment for the assessments was received but not the payment for interest, penalty, and filing fees. The Board discussed the proper process to handle this partial payment. The checks will be deposited tomorrow. This will be followed by a letter by regular mail stating the following: Lien amount, amount paid, amount owed. The Lien will stay in effect until the additional monies are paid in full. The motion was made by Jim McCain, second by Chip Burkett. Motion passed unanimously.

Meeting adjourned at 10:55 p.m.

Submitted by:

Pat LeRoy  
Secretary/Treasurer  
June 15, 2007