

Trails at Navajo (TAN) HOA Meeting Minutes

September 2, 2017, 11:10 am

- The meeting started at 11:10 am conducted by Jeffrey Fenske, TAN HOA manager. Proxies were collected from Claude Slack, CPA, Jeffrey Fenske, and HOA members in attendance. There was a quorum of 47 Owners represented at the meeting (62% of total 76 Owners) and the voting was binding. The attendance and proxies are listed below.
 - Attendance on 9/2/17: Dave Adams, Belmont Anderson, Jenny Bishop, Karla Cox, Kris & Brett Crockett, Amy, Lindsay & Shona Cropper, Joni Davis, Jeffrey Fenske, Barbara, John & Trent Horn, Stan & Judi Nielson, Mont Ringer, Amy & Thomas Seward, Tara Sweeney, Cheryl & Terry Truesdale, Kristine & Jerry Twiggs, Burke Wilkerson, and Bob & Julie Ydens.
 - Proxy representation and Lot #'s are listed on final page.
- Jeffrey Fenske explained the 10 Day notification requirement had been met in calling for the annual scheduled TAN HOA meeting on 9/2/17. In addition, TAN HOA is registered with Utah Corporations, corporations.utah.gov and HOA Utah, hoa.utah.gov with TAN ID # HOA1027463751837.
- The minutes of the 2016-17 HOA meeting were distributed for review. A motion was made by Bob Ydens and seconded by Kris Crockett to approve the minutes as written. The vote was unanimous and motion carried.

Reports-Old Business

- The Brian Head Fire was a significant event over the summer of 2017 affecting the whole community, surrounding properties, and national forest. Current and future fire prevention and safety planning were discussed.
- Jeffrey Fenske reported that TAN's "Virtual Security" system was progressing on schedule, and the camera operating network would be available to Owners through a free downloaded smartphone application this fall. In addition, Trails @ Navajo will be discontinuing the service of their website provider and seeking a new website provider for the purpose of increased services and Owner usability. Nominal additional costs will accrue to meet initial start-up, generation, and ongoing electrical/internet cost requirements, extended labor, and materials to secure timely connectivity for Owner availability. Jeffrey Fenske reported that current TAN website was not user friendly.

- Jeffrey Fenske reported a “Shout Out” to Public Works Director Shane Williamson and Brian Head Town for their dedication and diligence in completion of road resurfacing of Hunter Ridge Road adjacent to Trails @ Navajo. Owners in attendance commented on the quality and timeliness of the road resurfacing. It is still expected for all TAN residents to be watchful of the conditions of our streets and corresponding erosion for the purpose of evaluating the resurfacing process and making suggestions for next phases of our micro-resurfacing.
- One owner conveyed recent information on The Grand Lodge that it may possibly be bank owned, and an offer by the Resort may ensue if market conditions adjust; therefore, potentially benefiting BH Town and visitors. Currently, TAN’s usage agreement through the end of September 2017 is undetermined until communications with new Grand Lodge management can take place. To protect our potential \$2000.00 investment for 2017-18 usage agreement, an option to pay quarterly may be negotiated. Jeffrey Fenske will attempt to contact Kyle (new Grand Lodge manager) for information and options. Owners expressed continued interest and participation with pool and hot tub facilities and fitness room. Requests will be made to receive HOA/Grand Lodge discounts on room reservations and restaurant/dining.
- A Trails @ Navajo acknowledgement goes out to Owners Ron and Patty Ayers who continue construction on their new cabin near the ski bridge and brand-new Owners- Brett and Kris Crockett!

New Business

- A review of TAN's CC & R's and Recording Chronology/Amendments and Declarations was presented and reviewed by Jeffrey Fenske. Reference was made to the official recording with Iron County on December 18, 2015, of the most recent Third Amendment and Supplement to the Declaration of Restrictive Covenants and Conditions (CCR’s) regarding Short-Term Rental Restrictions.
- **It has been proposed that the Declaration of Restrictive Covenants and Conditions (CC&R's) for the Trails at Navajo be amended to revise Restrictions on Leasing and Non-Owner Occupancy for periods of less than 90 days. Statutorily required exemptions would also apply.**
- Discussion ensued regarding elements and details of the Fourth Amendment action item. Opinions were shared around the expectations of the rental protocol and Questions were generated regarding the process to quantify and qualify Owners eligible for the 25% Short-Term Rental HOA list.

- Owners comments and opinions included the value of maintaining TAN's high standards leading to a desirable single family residential neighborhood; the importance of allowing Short-Term Rentals to potentially increase real estate sales of existing lots; the trends and patterns of today's investing and management of residential property to include fractional ownership, and how these varying opinions and impending restrictions relate to Owner's ideas of a valuable HOA.
- It became clear that the action item was complex and potentially affected Owner's property value in addition to single family residential perceptions.
- Utah HOA Code requires at a minimum an annual TAN HOA meeting to reasonably allow time to conduct HOA business. A minimum quorum of 67% required to amend CC&R's was not established, and Owners elected to table Fourth Amendment discussion until further revisions and deeper understanding of potential rental ramifications to neighborhood. TAN HOA will initiate a Vote by Mail Next Step through Claude Slack, CPA due to diminishing quorum in order to move on Action Item of Fourth Amendment and possibly consider Action Item of repeal of Third Amendment. TAN will consider using legal advice to guide the proper Next Steps and ensure complete Owner participation since concerns were effective and timely communication in conjunction with Short-Term Rentals. Legal guidance may include an initial opinion letter shared with current Owners and potential buyers.
- A review of proposed Drafts of TAN Bylaws in addition to Rules and Regulations (sent in advance and included in Binder) was conducted followed by discussion and dialogue. Owners were encouraged to be involved to set high HOA standards and submit thoughtful and purposeful suggestions, additions and deletions to drafts of Bylaws and Rules and Regulations within the next 45 days or October 15, 2017.
- Safety adjacent to lots #39 and #52 to connect ski run (common ground) access to common ground across the road has been discussed with Brian Head Town. One of the leading options will be consideration of a Stop Sign and Crosswalk/Ski Cross across intersecting road.
- Jeff Crabtree (Parowan) has accepted the offer by TAN to clear and maintain our ski tunnels located across common areas in order to manicure and prepare for easier passage and gliding throughout winter ski/snowboard season.
- No additional TAN CC & R changes were discussed or proposed at this time.

- A summary of financial statements and expenditures for 2016-17 (prepared by Claude Slack, CPA) were distributed and reviewed for the purpose of transparency (see financial report posted on Trails @ Navajo website). The 2017-18 budget proposal for revenue and expenses was distributed, and discussion ensued:
 1. Jeffrey Fenske reported that Trails @ Navajo HOA's Liabilities and Stockholders' Equity balance was \$121,665.54 as of 7/31/17.
 2. Jeffrey Fenske reported that it was necessary to request a one-time transfer of funds from TAN-HOA equity to 2017-18 Annual Reserve to account for extended cost of initial start-up, labor, materials, and upgrades to "Virtual Security" system network to prepare for functionality viewing on new TAN Website.
 3. Jeffrey Fenske reported that TAN's limited membership with the Grand Lodge Resort located on Hunter Ridge Drive may be negotiated at a flat rate of \$2,000.00 annually for TAN residents and guests to use resort facilities for 2017-18 and will attempt to pay quarterly due to stability of Grand Lodge ownership.
 4. Jeffrey Fenske explained that remaining listed Budget categories were similar to the 2016-17 TAN HOA Budget.
- With these budget proposals Bob Ydens motioned and seconded by Kris Crockett to approve the 2017-18 budget as outlined below. The vote was unanimous and budget proposal carried.
- Owners were in agreement to use TAN HOA funds to subsidize 50% of the cost of dead tree and branch removal from their lots through Fall, 2017.
- Jeffrey Fenske opened up nominations to the HOA Board of Directors. No new nominations were motioned, and no Owner in attendance or through Proxy indicated interest to become a nominee to the Board.
- Dave Adams opened nominations to the Architectural Review Committee (ARC). No new nominations were mentioned, and no owner through Proxy indicated interest to become a nominee to the ARC.

- Dialogue and discussion ensued regarding ATV/Motorized Vehicles rules in Common Areas and throughout TAN streets and connecting trails. Owner consensus revealed that some progress was being made but continued vigilance was still necessary in adjacent upper phase. Pictures shared of specific lots showed extended erosion from noncompliance. Residents must be reasonable and respectful about entering this cross section of common area and private lots and support efforts to report abuse to police. The newly installed video surveillance network should assist in identifying outside illegal transgressors entering ski run property and TAN. Residents can assist with spreading expectations of Common Area and private property guidelines.
 - With no other items of business, a motion was made by Jerry Twiggs to adjourn, and seconded by Bob Ydens. The HOA meeting adjourned at 2:17 pm.
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TAN Board Members

- **Adams, Dave**
- **Crockett, Kristine**
- **Fenske, Jeffrey**
- **Horn, John**
- **Weaver, Scott- President**

TAN Architectural Review Committee

- **Adams, Dave**
- **Ayers, Ron**
- **Horn, Barbara**

2017-18 Budget Approved

Revenue

Dues	\$29,184.00
Total Revenue	\$29,184.00

Expenses

Rocky Mtn Elec & Wifi-Annual	\$900.00
Claude Slack, CPA Accounting	\$3,000.00
HOA Manager	\$6,000.00
Insurance	\$2,500.00
Legal Fees	\$2,500.00
Office/ Technology/ Security Expenses	\$1000.00
Property Taxes	\$500.00
Repairs & Maintenance	\$6,000.00
TAN- Grand Lodge Facilities Use (Annual Fee- No Contract)	\$2,000.00
Taxes	\$250.00
Trail Grooming	\$4,000.00
Web Site Management	\$500.00
<u>Reserve</u>	<u>\$34.00</u>
 Total Expenses	 \$29,184.00

HOA Meeting – Lot Owners Represented

<u>Lot Owners/Representatives/Family (In Attendance)</u>	<u>Lot # (s) Represented</u>
Terry & Cheryl Truesdale	3
John Henner	5
Dale Olsen, Enchantment Resort	6,10
Ron Ayers	7,39
Holly Sasaki	8
Glenn Bingham	11,13
Bob Andruss	14
Brett & Kristine Crockett	15,16
Charles Harpster	17
Pat & Peggy McCullough	18
Jerry & Kristine Twiggs	19
Ryan Ratner	23
Tara Sweeney & Jenny Bishop	24
Dave Adams	30
Barbara & John Horn	31
J. Court Empey	32
Thomas & Keriann Barlow	33
Stan & Judi Nielson	37
Mont & Melinda Ringer	38
Thomas & Amy Seward	40
Brian Head Resort	41-43;45-48;50-52
Karla & Chet Cox	56
Douglas Nielson	60
Jeff & Joni Davis	62-64,74
Jeffrey & Patricia Fenske	68
Scott Weaver	69
Beth Frenzel	71
Julie & Bob Ydens	73
Richard & Linda Groom	75
Belmont Anderson	76
Martin Davis	77
Total Owner Lots Represented:	47/76 (62%)