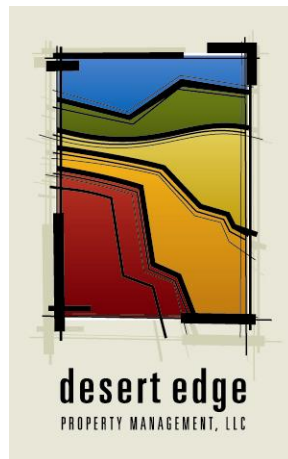




Annual Homeowners Association Meeting
7/21/07

Presented by:
HOA Board Members
&
Desert Edge Property Management, LLC



Desert Edge Property Management, LLC
P.O. Box 571268
Murray, UT 84157
801.265.9004

The information contained in this handout is privileged and confidential and is intended only for members of Duck Creek Pines HOA. You are hereby notified that any unauthorized distribution or copying of this handout is prohibited. If you have received this handout in error, please notify Desert Edge immediately at 801.265.9005.



Owner's Association

Annual Meeting Agenda Pinewoods Resort, Duck Creek Village, Utah July 21nd 2007 10:00 a.m.

Attendee Sign In / Please Read Minutes

Call to order / Introductions

Marshall Andrew, President

Introduction of Property Management Company

Michael Smith, Desert Edge

Minutes of 2006 Meeting

Marshall Andrew

Financial Report & Budget Review 2006/2007

Ricky May, Treasure

Old Business

Water System

Michael Smith/Robert Barrus/Marshall Andrew

Transfer of Duck Creek Pines Water Company to the Kane County

New Business

Nomination/vote of new Board Members

Michael Smith

Developer Update

Robert Barrus

Current Schedule

Mountain Break-ins/burglaries

Michael Smith

Speeding

Michael Smith

Bark Beetles

Michael Smith

Vote Results

Michael Smith

Other



Duck Creek Pines Annual HOA Meeting Minutes July, 22, 2006

Duck Creek Pines HOA President Marshall Andrew called the membership meeting to order at 10:00 A.M. Duck Creek Pines developer and Vice President, Robert Barrus, Treasurer, Ricky May, Secretary, Sharon Vincent represented Board of Trustees. The meeting was held at Pinewoods Resort, Duck Creek Village, Utah.

Introductions:

Marshall Andrew began the meeting by thanking all for attending. He introduced the Board of Trustees, Vice-President Robert Barrus, Treasurer, Ricky May, Secretary, Sharon Vincent and Mike Smith, with Desert Edge Management Company. Mike spoke briefly regarding the duties and history of the Management Company. They have been in business 3 ½ years. He has additional information on the website, www.desertedgepm.com. He stated everything is up and running smoothly. Also present and introduced was Jeff Hoyt our HOA Water Master. Robert reminded us that this will be his last year as Vice-President. That Board position is now in need of a volunteer.

2005 Minutes:

President Marshall Andrew made a motion that the 2005 minutes be approved as is without reading entire minutes to membership. Printed copies were available to those who wanted a copy. Also, Minutes are available on the website, www.duckcreekpines.com. Motion to approve minutes was passed.

Budget Review:

Treasurer, Ricky May gave an update on the financial status of the association. He stated we made a small profit based on the HOA dues. However, several homeowners are still in arrears. We have approx \$5500.00 in accounts receivable for past due HOA dues. Our annual dues are essential to running the HOA to cover expenses for maintenance as needed. We are trying to keep dues at \$200.00 per year. He stated we would like to move the due date for HOA payments to January each year. We will be transferring reserve funds to a Money Market Account in order to earn more interest. IN SUMMARY: our net income for the year was \$7000.00. Currently we have a balance of \$54,000.00 in reserves, with some outstanding payable invoices, plus the receivables of past due HOA dues.

Robert Barrus explained where the dues are spent:

1. Fee for Management Company
2. Mag Chloride for streets. At approx \$16,000.00 per year, this is our most expensive payable. It is done once a year around May or June after the snow removal.
3. Snow removal is no longer done by HOA. The County is now responsible for clearing the snow in the development.
4. Our water system testing and monitoring is \$325.00 to \$400.00 per month.

A motion was made to accept the budget and was passed.

Old Business :

Architectural Review Committee:

The new Architectural Review Committee is Mike Marzak and Mike Himmen.

All Home plans must be approved by the Architectural Committee. Plot plan, setbacks, fences etc. and other plans. There is a requirement for self-draining water faucets. We discussed need for re-enforcements so heavy snow fall won't snap the pipe. If you have any questions regarding water problems, talk to Jeff Hoyt.

Fire-Pits:

All Fire-pits must be approved by the fire department. There are specific requirement and specification required. Just a reminder: NO FIRES are allowed on the property during construction. You must inform your contractor of this regulation. Do not use the lots next door to yours for building materials or storage during construction of your home. Homeowners are responsible for their contractors actions regarding this.

New Business:

Robert Barrus, developer stated that Phase six is completed. Now the Duck Creek Pines development is completely built out. Some maintenance items are still being handled. There are a total of 200 lots sold with approx 40 left. He plans on placing 20-30 on the market next year.

Water System:

Our water system is worth approx \$1.5 million. We have been in discussion With Kane Country Water to take over our system for months. We have asked for several concessions before we "Give it Away". Robert Barrus is currently responsible for the maintenance of the water system. If we hand it over to Kane County, they will be responsible for all maintenance and upkeep. Robert Barrus has made it a point to let the HOA decide about the water system. Kane County wants a 2/3 majority vote of the homeowners before they will take over. Robert stated that large expenses are imminent and currently would have to be paid by the HOA. We would need an engineer on staff to properly maintain the system. A chlorination system will be required by 2007. The downside of turning over this asset to Kane County is that they want each homeowner to pay a connection fee of \$950.00. They would install an electronic type meter, with \$15.00 minimum usage to Homeowner per month. Kane County must also adhere to state regulations. Currently our water system is up to state standards and guideline. Robert is maintaining the system but is willing anytime to turn it over to the HOA. He emphasized, as the developer, that he is remaining neutral with his votes. His lots would not count in the vote totals. Some costs involved would be for updated electronic meter equipment and a chlorination system required by 2007. The engineering company Robert hired said that \$950.00 is reasonable. Normally, \$1500.00 is standard. Even though our reserves are being built up annually, they will never cover a catastrophic failure. Our annual dues could be used for better up-keep and improvements in the development.

Kane County also wants all assets, including some cash, plus property right for property where tanks and equipment are sitting.

Robert would like to resolve this issue before the end of the year. Ricky May suggested Robert negotiate the absolute best offer and submit it to a vote to the Homeowners. Concern was expressed that apathy from the Homeowners regarding voting might possibly result in less than a 2/3 majority. It was suggested that a detailed letter regarding this issue along with a proxy should be sent out to each homeowner, emphasizing the pros and cons of maintaining the system ourselves, with strong recommendation to proceed with Kane County Water Conservancy and their NEED to vote. It was decided that John Redlein, Marshall Andrew and Robert Barrus will try to negotiate a better deal with Kane County, hopefully with no connection fee and no cash assets. If not turned over to Kane County, the homeowners annual dues could be increased substantially to cover imminent future expenses for the water system.

Road Committee:

Ralph Rose, Committee chairman.

Mag Chloride should be done prior to Memorial Day Holiday. Once again concern was expressed regarding speeders in the development. If speeders are noticed, call sheriff with license plate number, description of offender, color of vehicle, color of helmet etc. The sheriff department has been good about responding. If a call is placed with a request for speed traps in the development they would probably do it. Placement of "speed limit" and "Slow" signs was requested. Lou Pratt at County Road Dept must approve signs.

Duck Creek Pines is on County Roads. Bill Vincent volunteered to get suggested verbage for signs in the development. HOA will cover expense to print signs. Concern was expressed about entry road (Duck Creek Ridge Rd) to Duck Creek Pines. Question was raised about getting mag chloride

2x's a year instead of once a year. There is only one road into the Pines and it gets beat up pretty bad by contractors and heavy equipment.

Snow Removal:

The County did a good job this past year. Because Duck Creek Pines is all county roads, the county pays and maintains the roads. Blade Leigh is currently contracted for snow removal by the County.

Miscellaneous Business:

Question was asked from member as to why we need a property management company.

1. To collect and track membership dues.
2. Send out collection letters on past due account.
3. Place liens on property for non-payment.
4. They are bonded and insured so we are protected against losing our funds.
5. Insure compliance with CC&Rs

Bill Vincent volunteered to assist Melinda Ramberg regarding maintaining the website.

Robert Barrus brought up the issue of the large amount of pavement on a homeowners lot(s). He stated that he did approve the pavement for this homeowner. He bought several lots and still has a lot of natural landscape on his property.

Question was asked about forest re-population. You can call the Forestry service to see about getting free trees to plant.

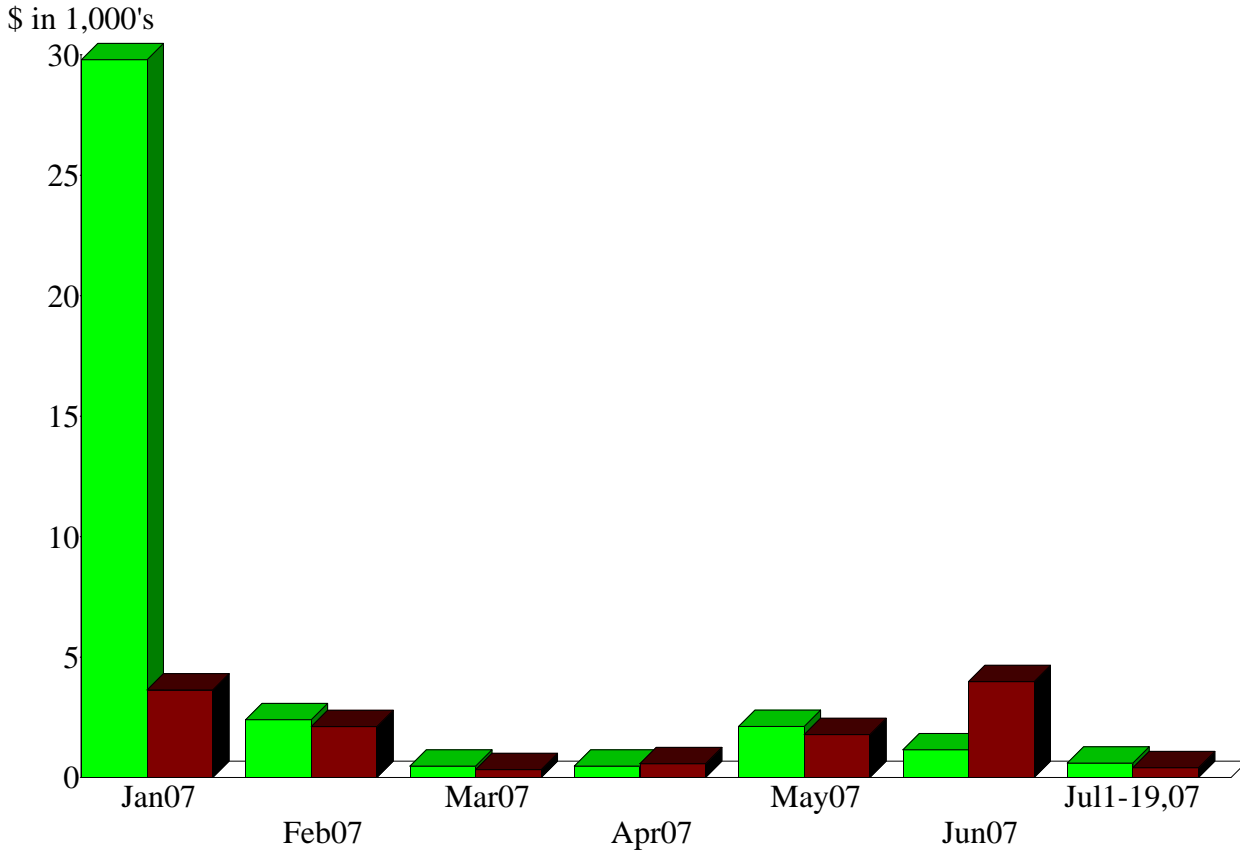
Meeting was adjourned promptly at 12:00.

Duck Creek Pines HOA A/R Aging Summary As of July 20, 2007

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>> 90</u>	<u>TOTAL</u>
1	0.00	0.00	0.00	0.00	200.00	200.00
2	0.00	0.00	0.00	0.00	800.00	800.00
3	0.00	0.00	0.00	0.00	0.00	0.00
4	0.00	0.00	0.00	0.00	400.00	400.00
5	0.00	0.00	0.00	0.00	200.00	200.00
6	0.00	0.00	0.00	0.00	200.00	200.00
7	0.00	0.00	0.00	0.00	200.00	200.00
8	0.00	0.00	0.00	0.00	200.00	200.00
9	0.00	0.00	0.00	0.00	200.00	200.00
10	0.00	0.00	0.00	0.00	200.00	200.00
11	0.00	0.00	0.00	0.00	200.00	200.00
12	0.00	0.00	0.00	0.00	200.00	200.00
13	0.00	0.00	0.00	0.00	200.00	200.00
14	0.00	0.00	0.00	0.00	0.00	0.00
15	0.00	0.00	0.00	0.00	0.00	0.00
16	0.00	0.00	0.00	0.00	200.00	200.00
17	0.00	0.00	0.00	0.00	200.00	200.00
18	0.00	0.00	0.00	0.00	200.00	200.00
19	0.00	0.00	0.00	0.00	475.00	475.00
20	0.00	0.00	0.00	0.00	400.00	400.00
21	0.00	0.00	0.00	0.00	400.00	400.00
22	0.00	0.00	0.00	0.00	200.00	200.00
23	0.00	0.00	0.00	0.00	0.00	0.00
24	0.00	0.00	0.00	0.00	200.00	200.00
25	0.00	0.00	0.00	0.00	200.00	200.00
26	0.00	0.00	0.00	0.00	200.00	200.00
TOTAL	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>5,875.00</u>	<u>5,875.00</u>

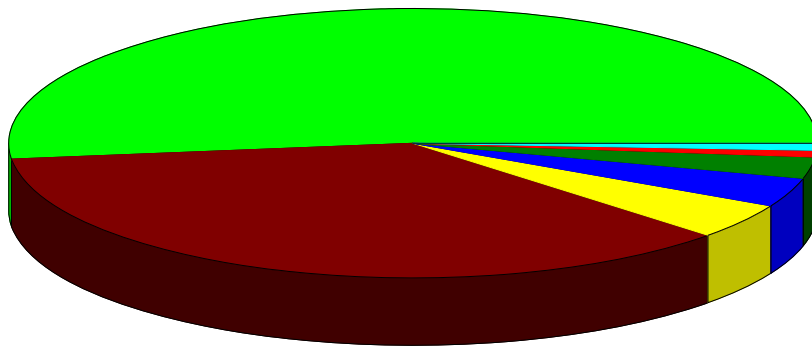
Income and Expense by Month
January 1 through July 19, 2007

Income
Expense



Expense Summary
January 1 through July 19, 2007

Management Fee	%54.33
Utilities	37.92
Insurance	\$-625.00
Postage	3.81
Annual Meeting	2.74
Website	0.96
Administrative Expenses	0.25
Sub-Total	\$12,827.34



By Account

Duck Creek Pines HOA
Balance Sheet

As of July 19, 2007

Jul 19, 07

ASSETS

Current Assets

Checking/Savings

SmartStreet 64,988.67

Total Checking/Savings 64,988.67

Accounts Receivable

Accounts Receivable -412.60

Total Accounts Receivable -412.60

Other Current Assets

Undeposited Funds 600.00

Total Other Current Assets 600.00

Total Current Assets 65,176.07

TOTAL ASSETS 65,176.07

LIABILITIES & EQUITY

Equity

Retained Earnings 40,991.64

Net Income 24,184.43

Total Equity 65,176.07

TOTAL LIABILITIES & EQUITY 65,176.07

Duck Creek Pines HOA
Profit & Loss
January 1 through July 19, 2007
Jan 1 - Jul 19, 07

Income

Annual HOA Dues	36,511.77
Transfer Fee	500.00
Total Income	37,011.77

Expense

Administrative Expenses	
Copies	33.15
Total Administrative Expenses	33.15
Annual Meeting	368.54
Insurance	-625.00
Management Fee	7,308.00
Postage	512.56
Utilities	
Power	1,861.59
Water	3,240.00
Total Utilities	5,101.59
Website	128.50
Total Expense	12,827.34

Net Income 24,184.43

Duck Creek Pines HOA

Profit & Loss Budget vs. Actual

January through December 2007

	<u>Jan - Dec 07</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Income				
Annual HOA Dues	36,511.77	43,000.00	-6,488.23	84.91%
Transfer Fee	500.00	1,200.00	-700.00	41.67%
Total Income	<u>37,011.77</u>	<u>44,200.00</u>	<u>-7,188.23</u>	<u>83.74%</u>
Expense				
Administrative Expenses				
Copies	33.15	262.40	-229.25	12.63%
Administrative Expenses - Other	0.00	206.09	-206.09	0.0%
Total Administrative Expenses	<u>33.15</u>	<u>468.49</u>	<u>-435.34</u>	<u>7.08%</u>
Annual Meeting	368.54	500.00	-131.46	73.71%
Insurance	-625.00	625.00	-1,250.00	-100.0%
Maintenance				
Dust Control (Roads)	0.00	16,000.00	-16,000.00	0.0%
Snow Removal	0.00	1,000.00	-1,000.00	0.0%
Total Maintenance	<u>0.00</u>	<u>17,000.00</u>	<u>-17,000.00</u>	<u>0.0%</u>
Management Fee	7,308.00	7,500.00	-192.00	97.44%
Postage	512.56	810.79	-298.23	63.22%
Utilities				
Power	1,861.59	3,600.00	-1,738.41	51.71%
Water	3,240.00	3,300.00	-60.00	98.18%
Total Utilities	<u>5,101.59</u>	<u>6,900.00</u>	<u>-1,798.41</u>	<u>73.94%</u>
Website	128.50	150.00	-21.50	85.67%
Total Expense	<u>12,827.34</u>	<u>33,954.28</u>	<u>-21,126.94</u>	<u>37.78%</u>
Net Income	<u><u>24,184.43</u></u>	<u><u>10,245.72</u></u>	<u><u>13,938.71</u></u>	<u><u>236.04%</u></u>

Burglary Notice

Below you will find a copy of an e-mail from the Kane County Sheriff's office regarding burglaries on the mountain.

Sent: Monday, July 02, 2007 11:00 AM

Subject: Mountain Burglaries

I wanted to pass on some information to the CMAC Board that I received concerning an increase in burglar activity on Cedar Mountain specifically at the Mammoth Creek subdivision in Garfield County. It seems there has been an increase in burglaries at Mammoth Creek. The suspect is using a ladder to access upper windows of cabins. They drill a small 1/8th inch hole in the window frame near the latch so they can push a firm wire through the hole and gain access. In many cases, they have stole many items but there have been several instances where the burglar has drilled the hole and has not entered the cabin. Instead, they have just filled the hole with plumber's putty. It is our belief that the burglars are doing this with the intent to return.

Please pass the word around and ask people to check their windows closely for drilled holes with white putty and look for suspicious behavior especially during the week.

What to look for?

Someone who fits the description of a construction worker or window washer with a ladder working on a cabin that is not under construction.

Thanks,

Chief Deputy Tracy Glover
Kane County Sheriff's Office

**Duck Creek Pines
ANNUAL MEETING
7/21/07**

ELECTION BALLOT

At this time we are voting in two (2) positions that must be filled. Office of President, and Office of Treasurer. Each position is normally a 3-year term position but may be staggered by one to two years to allow for smooth transition of the HOA Board Members. Please write in the name of your nominees.

Write-In Candidate

Write-In Candidate