

Cedar Highlands Homeowners Association

Special Meeting

June 25, 2016

The Property Owners of the Cedar Highlands Homeowners Association (CHHOA) held a special meeting on 06/25/2016 at the residence of Rob and Darcy Yates, Block 4, Lot 17. Eighty-five (85) lots were represented either in person or by submission of a ballot mailed earlier to each property owner. Board Members present were Jay Hampton, Manny Mosqueda, Linford Nelson, Linda Stetzenbach and Steve Swann.

- 1. Call to Order:** The meeting was called to order at 11:14 a.m.
- 2. Purpose of the Meeting:** The purpose of this meeting was to vote on or tabulate collected votes on two Ballot items. Land owners were sent a packet of information to study prior to their vote. The package included a brochure which gave an overview of how incorporation could preserve and enhance the subdivision, a letter from the President of the HOA, a 2 part Petition for Incorporation addressed to the Utah Lieutenant Governor's office for landowners (and Cedar City Precinct 51 voters if applicable) to sign if they approve of incorporation and a Ballot to vote on a.) Transferring funds and property to the new municipality if it becomes a legal entity. b.) dissolving the HOA if a.) is passed.

A previous meeting had been held on June 11th at 11 a.m. at the residence Rob and Darcy Yates for vote on the possible HOA dissolution, but the quorum percentage to hold a special meeting specified in the HOA By-laws was not met at that time. The meeting held June 25 was then scheduled to fulfill requirements of the HOA By-laws regarding the need for a quorum to finalize a vote on funds transfer and HOA dissolution. Property owners' questions were also addressed.

By-law signature requirements had already been met for submission of the incorporation petition to the Utah Lieutenant Governor's Office for approval. Petition signatures had been handed in or mailed to the HOA attorney Ben Reusch. Steve Swann delivered the petition to the Utah Lieutenant Governor's office.

3. President's Report

Steve reviewed the history of why incorporation was considered. This included property owners' concerns with roads, emergency medical, fire and law enforcement response, mail, property values and the advantages that township offers such as low interest loans for road

construction and maintenance. He also gave a summary of the process used in gathering and disseminating this information. The meeting was then opened for a question and answer period.

4. Questions and Answers Concerning Incorporation

A series of questions from attending property owners were voiced. The number of full-time residents needed for incorporation was challenged by the owner of Block 4, Lot 18. Steve answered that the Lt. Governor's Office in the State of Utah uses a factor of 3.11 persons per residence. With 39 residences reporting that they are full-time occupants of Cedar Highlands multiplied by 3.11 the total number of full-time residents = 121, greater than the 100 residents value required by the State of Utah for incorporation. The Board also cited that the Central Iron County Water Conservancy also used this 3.11 factor when our water system was transferred to their management.

The owner of Block 10, Lots 2 & 3 asked about the timeline for the Lt. Governor's feasibility study. Steve answered that the Lt. Governor's Office has 20 days to identify consultants who will evaluate issues including socioeconomic and revenue of the proposed incorporation area, and then the selected consultant has an additional 30 days to complete a feasibility analysis to determine if the town would be viable and sustainable. The Lt. Governor has the final decision with the option of calling a public meeting within the jurisdictional area. If the decision is positive, Iron County is contacted to place incorporation on the ballot with a slate of officials including Mayor and City Council positions on the upcoming November 2016 election, or if too late for that election, a Special Election would need to be called. Only registered Utah residents of the Cedar Highlands proposed incorporation area would be eligible to vote for incorporation, and for the Mayor and City Council positions.

A follow-up question on the feasibility study was raised by the owner of block 4, Lot 18 regarding who determines the members of the feasibility study. The Board answered that the Lt. Governor conducts a bid for the study and that the HOA can also make recommendations.

The property owner of Block 12, Lot 2 asked what is the advantage to the State for communities to incorporate. The Board answered that the U.S. Constitution focuses on local rule and that townships are local government.

A property owner of Block 6, Lots 9-11 / Block 8, Lots 5&6 / Block 10, Lot 1 asked the reason for including the Bureau of Land Management (BLM) property below our current subdivision in the footprint for incorporation. Steve answered that Utah State Senate Bill 112 clarifies that incorporated lands only include private property and municipal lands. BLM lands are technically not incorporated. However, if in the future a land swap is conducted in which the

BLM exchanged the lands lower on the hill below our town but within our incorporated footprint, the town would be first in line to claim it as private land within the town. The residents in the town could then decide uses for that land (e.g., a greenbelt of undeveloped land.)

The property owner at Block 7, Lot 4 asked if the future of our area was going to be rural country atmosphere or strip malls. The Board and a property owner of Block 4, Lot 2 answered that all members of the Board currently were full-time residents and were committed to keeping the area as rural, but they realized the need for improved infrastructure. It was also stated that the Mayor and City Council members would all have to be residents of the town and in their campaign for office they would have to answer residents' questions about their vision for the area.

The property owner of Block 12, Lot 2 made a statement that their property was purchased because it was rural and on a dirt road, and they did not wish to see paved roads in the area. The question was raised as to who re-configures and maintains the road if incorporation occurs. The Board answered that federal and state grants and low interest loans that are not available to HOAs are available to municipalities, and the future City Council would be asking residents their opinions and assistance in designing roads. The City Council likely also would enlist an engineering firm to assist in grant and loan application.

The property owner at Block 4, Lot 18 stated that operators of all-terrain vehicles (ATVs) would likely move their activity to the side roads if the main road was paved. The Board answered that zoning ordinances would be a task of the elected City Council.

The property owner at Block 12, Lot 1 reminded those present that voting on transferring HOA funds and dissolution of the HOA if a future incorporation occurs was the focus of today's meeting. The Board agreed.

The Board then asked to move the discussion on to the need for property owners to focus their immediate concerns to the threat of fire on the hill. The property owner at Block 12, Lot 2 asked if Cedar Highlands could have a fire house. The Board answered that currently it would not be possible as companies will not negotiate with HOAs, but that as a town we could eventually have a fire house and equipment.

The property owner at Block 4, Lot 18 then stated that previously John Schmidt (Coordinator for the Wildlands/Urban Interface for the Southwest Area of Utah Forestry) said firefighters would not come to Cedar Highlands to fight wildfires, but what about house fires? The Board answered that as a town, waterlines could be improved and access to properties maintained including installation of community fire alarms similar to tornado alarms in regions where they

are a concern. Additionally, as a town, ordinances can be made to require property owners to tend to fire concerns on their lots.

5. HOA Assets & Dissolution Ballot Results

Regarding Ballot A: Transferring all HOA funds and property to the new municipality upon its becoming a legal entity - it passed with 85 yea and 2 nay.

Regarding Ballot B: The permission to dissolve the HOA when incorporation is approved. It passed with a simple majority of 60 yea and 17 nay. The balloting was closed.

The Board reminded property owners that the Codes, Covenants, and Restrictions (CCRs) governing the HOA are tied to each property's title. If incorporation occurs the City Council will need to address ordinances for the area and enforcement of CCRs.

6. Adjourn

The meeting was adjourned at 11:58 am.

Respectfully submitted by Linda Stetzenbach, Secretary.