

**BUCKHORN RANCH ASSOCIATION
ANNUAL MEETING MINUTES
DECEMBER 12, 2015 – 5:00 P.M.
QUEEN OF ALL SAINTS 401 SOPRIS AVENUE,
CRESTED BUTTE, COLORADO 81224**

Present

Spencer Low	Eric Tunkey
Bob Silverman	Amy Newfield
Morgan Weinberg	Margaret Dijkstra
Sean Turner	Dan Coakley (Phone)
Frank Woodruff	Mike Kruteck (Phone)
Ben Somrak	Lisa Silverman (Phone)
Mindy Sturm	Rich Saperstein (Phone)
Shirley Saunders	Joanna Baskett (Phone)
Channing Boucher	Kevin Hofstra (Phone, Stallion Park)
Barry Muirhead	Beth Appleton – Legal Counsel
Jeff Dixon and Jamie Booth	Rob Harper – Toad Property Management

Morgan Weinberg called the meeting to order at 5:08 pm. A quorum was declared present with 131 lots represented and 148 ballots received.

Morgan made a motion to approve the minutes from July 19, 2014. This was seconded by Spencer Low and approved unanimously.

Rob Harper said that the notice for the meeting was sent to all owners on November 12, 2015.

Legal and General HOA Update

Settlement Committee member Bob Silverman said that the Settlement Committee had completed many of the entry, signage and landscaping improvements. There are some funds left in this account and that they would be looking for ideas for improvements in the future. Morgan said that the Board had been working to update the governing documents and rules and regulations. The Board will be revising the Bylaws and Declarations as well which will require an owner vote. Morgan said that over the summer the Board hired Toad Property Management as the Property Manager. Rob Harper is the owner of Toad and said that he grew up in the valley and was happy to be helping Buckhorn Ranch.

Beth Appleton, Association attorney, reported that the bank foreclosed on 90 of the developer's 97 lots over a month ago (Early November). She said that the bank has been very helpful in this process moving forward. In the bankruptcy matter, the Association filed a motion to convert the bankruptcy from a Chapter 11 to Chapter 7, in which the bank and Guerrieri joined. If granted, this will bring the assets owned by the developer, Brush Creek Airport LLC into the possession of the U.S. Trustee who can sell the assets to satisfy debtors which would include additional property and the water company. The developer had not paid dues in over 5 years. The

developer claimed that the Association owed him money for chip-sealing the roads in 2010. In the state court action, the Association proceeded to hearing on December 10th on the Association's motion for preliminary injunction. Judge Patrick ruled that the chip-seal was the developer's responsibility and that offsetting the dues was incorrect and improper. He also ruled that the developer is no longer allowed to be involved in any HOA matters. The Judge also found that Dick Landy's election after the 2014 annual owners meeting was improper and not valid.

The question was asked if the HOA will be trying to collect the fees and dues owed by the developer. Beth said that this is a possibility to go after the remaining 7 lots at a later time and to include fees in the bankruptcy matter.

Morgan said that the bank is now an owner of the 90 lots. The bank has two representatives, Jon Walker who is the senior vice president and Bill Clarke who is the vice president of REO property. Bill is based out of Greenwood Village and the Board will be expanded by one seat so that Bill will have a position. An owner asked about the Bank plans and relationship. Morgan said that the bank's plan is to sell the lots. Bob Silverman stated that initial interactions have been very positive and the Board anticipates a good working relationship. Morgan said that they have received the maximum 6 months back dues and that they will be paying dues on the 90 lots.

Financial Report

Bob Silverman said that he was appointed to the Board in March and has lived in Buckhorn for three years. He said that the increased participation in Association matters from the owners has been noticeable. There is currently \$308,000 in accounts receivable and that \$294,000 is Brush Creek Airport. He said that the Board is still looking for a way to procure this money. The legal expenses have been significant lately but that the Board was happy with the outcome. The bank paid the HOA \$50,000 in an effort to foreclose on the 90 lots which kept the HOA solvent. There were some minor repairs to the road as well. He further reported that there is about \$36,000 in the operating account but that several Board members had loaned the Association \$15,000 to cover the shortfalls. The settlement account has \$24,000 to go towards another HOA project. The goal is to have a one year reserve set aside for unexpected expenses. Mindy Sturm asked where the \$50,000 came from. Bob said that the bank owed \$11,000 for the super lien and that the Board negotiated the remaining \$39,000 to change their position on the 90 lots so that the bank could more easily foreclose.

Bob said that the proposed 2016 budget was built from the bottom up and it takes approximately \$80,000 to operate the HOA. The roads (repairs and maintenance) will be the largest expense in the near future. Snow removal is budgeted at \$20,000 for the year. He said that \$3,000 was for weed removal and \$7,000 for property management. The road could take over \$300,000 to repair in the next 3 years. He said the dues will be increased to \$600 per year which was calculated over a 4 year period to cover expenses and build the reserve with no special assessments. Spencer Low said that the goal is to not have future dues increases or special assessments. There was a question as to who will do snow clearing this year. Rob said that Lacy Construction has the contract and knows the sensitivity of the roads.

A question was asked if there were any other ideas to collect more operating revenue. Morgan said that dues were the fairest and simplest at this time. Morgan said that the runway is still owned by Brush Creek Airport but that this will change at some point. Mindy Sturm asked about the safety of the roads near the runway. Morgan explained that once 100% of the runway lots are sold that it could be turned over to the HOA but that the HOA probably did not want this responsibility. Spencer Low said that there may be a separate entity in the future that could own and operate the runway as a subsidiary of the HOA. He said that private runways have to follow rules set by the FAA. Mindy asked if a fence would be necessary. Spencer said that it is not currently required but that it could happen in the future.

Jamie Booth asked if there was any way that the HOA could host special events for additional revenue. Morgan said that it is worth considering.

Election

Morgan introduced the existing Board of himself, Bob Silverman, Spencer Low, Frank Woodruff and Sean Turner. There was a question regarding changing the Board from 5 to 6 and if there would ever be difficulties with tie votes. Frank Woodruff said that the bank does not plan to remain for the long term and Frank said that they were allowed up to 9 Board members. Rob said that there were 148 - Yes votes to retain the current Board. The budget vote was 146 – Yes and 2 - No. The measure to lower the quorum to 20% from 50% was 144 – For and 4 - Against. There was a question asking what will happen to the Board seat left when the bank sells. Frank said that the position will be appointed by the current Board.

There was a comment that it is unfair that the multi-family lots pay the same dues as the single family lots. Morgan said that there are 13 multi-family lots remaining and that this is something that should be discussed further.

Another comment regarding the access to Brush Creek Road at the North East corner of Buckhorn. The Guerri's lock this gate, preventing access to property on the other side of the gate and Morgan said that he has spoken to them regarding this matter. There was a comment regarding maintenance of the newly installed landscaping. Bob said that there is a three-year contract in place to take care of landscape maintenance .

Kevin Hofstra gave his update from Stallion Park. He thanked the settlement committee for their efforts. He said that they have improved landscaping, roofing and staining in addition to weed mitigation efforts. He said that the checking account balance was \$12,000 with a reserve of \$8,000. There were several units bought and sold in the past year. He said that they have been working to improve relations regarding dogs, trash, excess vehicles and motion sensing lighting.

The next Annual Meeting is targeted to be held in the Summer, 2016.

The meeting adjourned at 6:07 p.m.

Prepared by Rob Harper

DRAFT