

**BUCKHORN RANCH ASSOCIATION
ANNUAL MEETING MINUTES
AUGUST 18, 2018 – 9:00 AM
QUEEN OF ALL SAINTS, 401 SOPRIS AVENUE,
CRESTED BUTTE, COLORADO 81224**

Present

John Davis
Spencer Low
Pete Nichols
Sally Hall
John Francisco
Ginny Turner
Skip Livingston
Bill Clark
Brian Mordecai
Trevor Maltby
Erin Hensley
Joe O'Brien
Amy Weinstein (by phone)
Chris Tinstman (by phone)
Bob Silverman (by phone)
John Randle (by phone)
Martin Frith (by phone)
Gina Bramlett (by phone)

Daren Truitt
David Brennan
Ben Somrak
Philip Dujardin
Grant Bremner
Tom Shepard
Jan and Maggie Dijkstra
Bill Tunkey
Barry Muirhead
Daniel Gagnon
Frank Woodruff
Doug Heller (by phone)
Tom Inglis (by phone)
Steve Hock (by phone)
Randy and Mandy Thompson (by phone)
Chris Jackman (by phone)
Josh Ackerman (by phone)

Beth Appleton – Legal Counsel

Rob Harper – Toad Property Management
Jim Ruthven – Toad Property Management

Rob Harper called the meeting to order at 9:09 am. Rob said notice of the meeting had been mailed on July 23, 2018 and confirmed with proxies there was a quorum.

Jan Dijkstra made a motion to approve the August 26, 2017 minutes as distributed. Spencer Low seconded the motion and it was unanimously approved.

Legal and General HOA Update

Beth Appleton gave a brief update and said the association was continuing to work with the Trustee and after 4.5 years there were still a few items to be completely resolved. Beth confirmed she had been in contact with the Guerrerri's bankruptcy attorney and Rich Saperstein and Rich had confirmed any memberships in the River Club would be honored and the outstanding 14 memberships would be issued. Beth explained the attorneys would probably reform the river club memberships so that everyone had clear paperwork and the bankruptcy attorney would be working on that. Beth said the association was currently under contract to purchase the Water Company and the closing would occur in the next few weeks.

Financial Report

Bob Silverman explained the financial report would be in four sections with him giving an update on 2018 income and expenses, Frank Woodruff explaining the water company purchase, David Brennan talking about roads and then there would be a discussion of the 2019 budget. Bob confirmed the association has successfully met the association's goal of holding one year of operating expenses in the Operating Account and has started the reserve account with \$70,000.

Frank Woodruff explained good, high quality water was important to every owner and 2.5 years ago an appraisal had valued the water company between \$2.1 and \$3.2 million and the association was under contract to buy the water company for approximately 20 cents on the dollar. Frank explained there were two potential lenders, with very different terms, and a decision would be made shortly as closing was scheduled to occur between August 31 and September 7. Frank said it was anticipated the water company would fund itself and special assessments to owners would only be necessary if there were large unforeseen expenses. Bob Silverman explained the purchase loan would be serviced by the income of tap fees and even using a very conservative figure of 2.5 tap fees a year the loan would be repaid without the association having to add more capital.

Frank Woodruff and Jack Dietrich explained eight water quality tests had been failed during the Spring and the State required the installation of filtration equipment by October 2019. Jack Dietrich said the association and the water company were working with consulting engineers to come up with a satisfactory long term plan and Frank Woodruff said the Board would keep owners informed but it was anticipated any costs to the association would be minimal.

Frank Woodruff explained owners would receive rules and regulations for water usage, including irrigation, and the association would have everything in place by Spring 2019. Frank said research would also be underway regarding the long term sufficiency of water.

David Brennan explained four road contractors had been approached for bids and scopes of work for long term improvements to the temporary roads within Buckhorn. David said the Board narrowed the choice down to two contractors, based on experience and pricing. David explained the association did not have the funds to have all the recommended work completed in one summer so the work would be part of a 10 year plan and on January 19, 2019 all owners would be assessed \$2,800 per lot with the option to either make a one time full payment or to stagger payments during a four year period. David confirmed the main focus would be intersections and curves as heavy construction traffic had the biggest impact on those areas. David stressed the work would be an improvement on the existing surface that should get the HOA 10-12 years upon completion and that there would then need to be a long term solution once construction of homes was almost finished.

Bob Silverman explained the rationale for the 2019 road improvement special assessment and the dues structure. Bob said the financing options for the purchase of the water company were very different with one lender offering a 100% loan and the second lender offering just 70% with

the association using reserve funds to make up the difference. Bob explained the underwriters would be making a decision shortly and that decision would assist with long term planning. Bob confirmed loans were not available to finance the road improvements and research had shown the formation of a Special District would not be a financial benefit to the association.

David Brennan thanked Grant Bremer and everyone who recently volunteered to spend a day on pothole duty.

David Brennan said the planned road improvements would be aesthetically pleasing and would improve the first time experience of potential buyers as well as enhancing the daily driving experience and it was hoped the asphalt surface would be more durable than chip and seal. A discussion followed on the benefit of maintaining the roads to a good, safe, temporary standard during a busy 10 year construction period.

Rob Harper explained sufficient votes had been received to ratify the 2019 Budget which had been circulated with the annual meeting documents.

IRS Revenue Ruling 70-604

Rob Harper explained the association had received sufficient votes to approve IRS Revenue Ruling 70-604 to authorize the association to roll over excess operating funds to a reserve account.

Election

Rob Harper confirmed Spencer Low, Frank Woodruff and Bob Silverman had received sufficient votes and would be continuing on the Board for additional three year terms.

Unscheduled Business

Spencer Low said there had been drone activity close to the runway and the Board would be implementing additional rules and regulations due to safety concerns. Spencer reminded owners the use of a drone within 5 miles of an airport was permitted but it was essential that detailed information be filed with the airport prior to use of the drone.

Spencer said repaving of the runway would start the second or third week of September and the work would take approximately two weeks to complete. Spencer reminded owners the runway was an active runway and owners and their guests must not walk, bike or play on the runway at any time and additional signage was being added.

Spencer said weed control was working well and it had not been necessary to spend as much money as less weeds were appearing each year.

Spencer said Grant Bremer had been working for the past five years on pedestrian access from the northeast end of Buckhorn to access Brush Creek Road via land leased from the Forest

Service. Spencer thanked Grant for his work and said the fence and signage was now in place. Grant reminded all owners to respect fence lines and read and obey the signage.

Frank Woodruff said it had recently come to light that the association also owned all the service lines from houses to the main line and East River Sanitation only maintained the main line. Frank said funds would be set aside for annual maintenance and repair of any service lines.

After a long discussion about short term rentals Frank Woodruff said the Board was continuing to discuss the rental regulations and would be implementing a heavy fine structure for violation of the rules. Beth Appleton confirmed she would review language to prohibit the holding of events in the future. David Brennan encouraged owners to contact the Board with their comments and concerns.

Grant Bremer said the Design Review Committee needed to respond quicker and said changes were being considered and Frank Woodruff confirmed somebody had been hired to take some of the pressure off the Board and improve the design review process.

The next Annual Meeting was scheduled for August 17, 2018 at 9 am.

Eric Tunkey made a motion to adjourn at 11:09 am. David Brennan seconded the motion and it was unanimously approved.

Prepared by Rob Harper