

HIDDEN MINE RANCH OWNERS' ASSOCIATION, INC.
BOARD MEETING
FEBRUARY 12, 2019 – 9:00 A.M

Present: Don Ochs (by phone)
Rusty Johnson (by phone)
Curt Koutelas (by phone)
David McEntire (by phone)
Cjay and Megan Clark
Ira Conn
Niki O'Connor
Rob Harper, Toad Property Management
Jim Ruthven, Toad Property Management

Rob called the meeting to order at 9:02 a.m. and confirmed a quorum. Curt made a motion to approve the minutes of the October 30, 2018 meeting. Don seconded the motion and it was unanimously approved.

Rob said Lacy Construction had been doing well keeping up with snow removal and it had been necessary to shovel out the gate a few times. Rusty thanked Toad for their assistance during the management transition period.

Jim explained the proposed 2019 Budget included a Reserve line item, as most lenders and insurance companies required a Reserve, and road maintenance and management had been increased. Jim said dues had been increased from \$2,500 to \$4,500 to cover the increased expenses. Jim explained the Association had approximately \$70,500 in the checking account on December 31, 2018 and Accounts Receivable of \$2,500. Curt explained the proposed 2019 budget increase of approximately \$15,000 over 2018 was due to an increase in road maintenance from \$10,000 to \$15,000 and establishing a reserve account with approximately \$10,000. Curt also explained the management fee included bookkeeping and was a different way of presenting the information instead of a significant increase in costs. Curt said the financial records had been moved to AppFolio, the software used by Toad, and Rob reminded owners dues could now be paid online.

Don explained it had been necessary in prior years to have a special assessment to assist in payment of expenses and the dues increase proposed in the 2019 Budget was intended to cover expenses without the need for additional special assessments.

Curt made a motion to approve the draft 2019 Budget. David seconded the motion and it was unanimously approved.

It was agreed the Collection Policy would be followed for any delinquent dues.

Rob said Toad would prepare an invoice for the Whetstone Ranch portion of snow plowing and pass that invoice to Rusty for review prior to sending to Whetstone Ranch.

An update letter regarding the litigation had been sent to all owners at the end of December and at the present time no date had been set for the trial.

A complete clean set of governing documents for the Association would be compiled by the March annual meeting and both the Toad website and the Hidden Mine website would have the documents.

Rusty said he had approached David Baker at Whetstone Ranch with the proposal that Hidden Mine would reimburse Whetstone Ranch for 50% of the cost of constructing the trash enclosure and pay 50% of operating costs of the trash receptacle for the next three years and 50% of the operating costs for the prior months when the receptacle was being utilized. Rusty said David Baker was taking the proposal back to his Board and it seemed likely the proposal would be acceptable.

Rob said he would speak to England Fence about the remote controls not working at the gate at night and get back to the Board. Two light bulbs were out at the gate and would be replaced shortly.

A 2019 grazing lease had not yet been entered into but ranchers would be approached in the Spring and a grazing lease submitted to the County Assessor.

It was agreed the annual meeting would be Tuesday, March 19, 2019 at 9:00 am at the Toad Office on Elk Avenue.

Owners present asked for details regarding the lawsuit with Freeman Enterprises and Rusty asked owners to prepare a list of questions to pass to the attorneys and find out what additional information could be released. Rusty explained Freeman Enterprises and/or their attorneys had been delaying and Niki expressed concern that the delays were impacting the value of lots and the ability to sell. The Board said they were doing everything they could to push things along and Board members had already put in many hours and the State was involved in inspecting the reservoir which had added to delays. David explained the State had not been involved originally with the reservoir and Megan questioned why the State had not been involved and expressed concern at the way Board members had handled every stage of the reservoir construction and the lawsuit.

Rusty confirmed that when the dispute first came up, an agreement was negotiated with Freeman, and his attorney, wherein HMR would pay every invoice that had been submitted in exchange for a lien waiver from Freeman. HMR honored that agreement and James handed Freeman a check of over \$100,000. Freeman's response to James was that his attorney would forward the waiver to us. Instead, Freeman's attorney submitted a global release that would have negated the contract. Since we could not accept a global release, Freeman filed his lawsuit and all work stopped on the reservoir. Subsequently, we later discovered once the snow melted, equipment and services we were billed for and paid were not present and the work done on the reservoir was not in accordance with our contract, thus bringing about State jurisdiction. Rusty said the lawsuit was driven by Freeman Enterprises and the Association had to defend itself.

Curt made a motion to adjourn the meeting at 10:16 am. David seconded the motion and it was unanimously approved.

Prepared by Rob Harper
Toad Property Management, Inc.

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