

HIDDEN MINE RANCH OWNERS' ASSOCIATION, INC.
ANNUAL OWNERS' MEETING
TUESDAY, MARCH 15, 2022 – 9:00 A.M

Present by Zoom: David McEntire
Rusty Johnson, Lot 2
Will Frischkorn, Lots 12 and 15
Derek Zeck, Lot 14
Jeff Jones, Lot 3
Damon Wright, Lot 5
Steven Langbein, Lot 17
Megan Paden, Lot 6
Mikal Darden, Lot 9
Ira Conn, Lot 11
Matt Dungan, Lot 13
Chet Boyce, Toad Property Management

Proxy to Rusty Johnson: John Chain, Lot 19

Proxy to David McEntire: Joe Chiaf, Lot 1

Chet Boyce called the meeting to order at 9:02 a.m. Chet said notice of the meeting had been mailed on February 25, 2022 and confirmed there was a quorum present.

Rusty Johnson made a motion to approve the minutes of the March 16, 2021 Annual Meeting. Ira Conn seconded the motion, and it was unanimously approved.

Chet presented the Manager's Report. Chet said that there had been 6 sales in the past year, including Lots 1, 3, 4, 5, 8, and 15. Chet said that the Association had accrued some net operating income in 2021 and was generally in a good financial position for the coming year.

David McEntire made a motion to approve the 2022 Budget as presented. Steven Langbein seconded the motion, and it was unanimously approved.

David McEntire explained that work on the excavation and grading of the subsurface reservoir had been completed. David said that the engineers, the State inspectors, and the Board were pleased with the results. David said that the Board was looking forward to seeing the performance of the reservoir in the 2022 runoff season before moving on to Phase II, which would include installation of a flume and gate at Baxter Creek to bring water into the reservoir on an as-needed basis. David said that Community Bank had approved the Association for a loan, which could be considered as one option for financing.

Megan Paden said that the Association had already spent a great deal of time and money on the reservoir, and she was concerned that the Board was moving forward with investing further resources into the project.

David explained the historical reasons for the reservoir project exceeding the initial budget. David said that the original contractor hired by the Association had not completed the job satisfactorily. As a result of the work being completed in a manner that did not meet the specifications of the plan or the contract, the reservoir infrastructure as first completed had not met State code requirements, which had necessitated further work. David added that the previous property management company had issued payment to this contractor prematurely. David said that the project and the Association were now moving in the right direction, but he shared some owners' frustrations that issues with the original contractor had led to delays and unforeseen expenditures.

There was a long discussion of the budget for the project, including the amount already spent on completion of Phase I and the amount contemplated for completion of Phase II. David said that the total cost of the project was predicted to be about \$400,000, which exceeded the initial budget by about \$100,000 due to the amount paid to the first contractor and the cost of the lawsuit, which Hidden Mine Ranch had ultimately won. David said that the work for Phase II of the project had already been contracted, and he would be able to share the total cost for the remaining work needed to complete the project via email after the meeting, which could be appended to the minutes of the Annual meeting. Chet said that he would also share information about the current loan with owners, including the total term and the rate.

David confirmed that he had sold his home in Hidden Mine Ranch, but said he had agreed to stay on as President of the Board to see the reservoir project through to completion.

There was some discussion of the ownership of the reservoir. It was explained that, while the reservoir was located on Lot 5, it was considered an asset of the Association, and the owners of Lot 5 were open to having the HOA assume ownership of the portion of their lot that contained the reservoir.

Rusty Johnson said that he had just received from the water attorney the application to make the Association's water rights absolute, which was only possible because of the reservoir.

There was some discussion of the Board's communication with owners. David said that the Board made all efforts to keep the website up to date, and all minutes were published on the website. David encouraged owners to speak up if they saw any issues or inconsistencies with the minutes or the information available on the website. Rusty said that Toad had helped the Board to improve communication with owners.

David discussed the proposed Covenant Amendment, which was being pursued at the request of the County Assessor to address ambiguities identified by the County Assessor and to ensure continuation of Hidden Mine Ranch's agricultural designation. David said that the agricultural designation led to significant property tax savings. Rusty added that Whetstone Mountain Ranch also had an agricultural designation. David confirmed that the Ranch had been grazed the previous year. There was some discussion of fencing requirements and the possibility of the Board considering making t-post and barbed wire fencing allowable in future.

David McEntire moved to set the next Annual Meeting date as Tuesday, March 14, 2023. Derek Zeck seconded the motion, and it was unanimously approved.

David McEntire made a motion to adjourn the meeting at 10:25 a.m. Rusty Johnson seconded the motion, and it was unanimously approved.

A meeting of the Board of Directors would be held following a short break, and all owners were invited to attend.

Prepared by Rob Harper
Toad Property Management

DRAFT

DRAFT

**HIDDEN MINE RANCH OWNERS ASSOCIATION
ANNUAL MEETING BALLOT
FRIDAY MARCH 31st, 2023 at 8:30 AM MST**

The undersigned, being a member and owner of Hidden Mine Ranch Owners Association, a Colorado nonprofit corporation, by virtue of owning

_____ (Name)

_____ (PROPERTY DESCRIPTION), County of Gunnison, State of Colorado, hereby votes as follows:

1. Approval of the 2022 Annual Owners' Meeting Minutes

_____ FOR _____ AGAINST

2. Ratification of the proposed 2023 budget

_____ FOR _____ AGAINST

3. Election of Board Member

_____ David McEntire

_____ Other Write in: _____

You must be in good standing with the Association to vote:

1. The Association must receive your ballot by March 30, 2023 at 5:00 p.m. in order for your vote to be counted

Dated this ___ day _____, 2023

Signature: _____ Printed Name of Owner: _____

Capacity if not an Individual: _____

Please deliver your BALLOT by Emailing it to Toad Property Management – Rob@toadpropertymanagement.com no later than 5:00 p.m. March 30, 2023.

PLEASE REMEMBER TO SIGN AND DATE THIS BALLOT

**HIDDEN MINE RANCH OWNERS ASSOCIATION
ANNUAL MEETING NOTICE AND PROXY
FRIDAY MARCH 31st, 2023 at 8:30 AM MST
PLEASE SEE ZOOM INFORMATION ATTACHED**

You are hereby notified that the Annual Meeting of the members of the Hidden Mine Ranch Owners Association has been scheduled for FRIDAY MARCH 31st at 8:30 AM MST. If you are unable to participate, please fill out the proxy form below and return.

I (we) as owners of Lot _____ and a member of Hidden Mine Ranch Owners Association hereby appoint the said person as my (our) proxy for the Annual Meeting of the Membership of the Association. Said meeting is to be held FRIDAY MARCH 31st at 8:30 AM MST via zoom. You must designate a specific member of the Association or your legal representative to vote as your proxy, and that individual must be present at the meeting for your designation to be valid. The proxy will expire 30 days after the Annual Meeting of the Owners.

I hereby designate the following person as my proxy:

- David McEntire, President
- Matt Dungan, Vice President
- Derek Zeck, Secretary
- Will Frischkorn, Treasurer
- Rusty Johnson, Board Member
- Other _____

Owner/Lot Number _____ Date _____

E-mail address _____

**PLEASE RETURN YOUR PROXY BY NOON, MARCH 30th, 2023, TO HIDDEN MINE
RANCH OWNERSASSOCIATION: Rob@toadpropertymanagement.com**

David McEntire, President
Matt Dungan, Vice President
Derek Zeck, Secretary
Will Frischkorn, Treasurer
Rusty Johnson, Board Member

Toad Property Management is inviting you to a scheduled Zoom meeting.

Topic: Hidden Mine Ranch Annual Owners Association Meeting

Time: MARCH 31st 2023 at 8:30 AM Mountain Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/86787614002>

HIDDEN MINE RANCH OWNERS ASSOCIATION MEETING
FRIDAY MARCH 31st, 2023 AT 8:30 AM (MOUNTAIN TIME)

- Call to Order
- Proof of Notice
- Roll Call/Establish Quorum
- Approval of Past Minutes – March 15th 2022
- Reports
 - Property Management
 - President/Officers
- Financial Report
- Ratification of the 2023 Operating Budget
- Election of four Board of Directors for three year term

Board of Directors
David McEntire

Term Expires
2023

- Old Business
- New Business
 - Non-Board Members
 - Board Members
- Adjourn

Budget Approval: Current Year & Draft Budget

Properties: Hidden Mine Ranch - PO Box 2144 Crested Butte, CO 81224

Accounting Basis: Accrual

Account Name	2022 Actual	2022 Budget	2023 Budget
Income			
Dues	89,300.00	89,300.00	89,300.00
Interest	256.91	0.00	0.00
Penalties/Interest	806.06	0.00	0.00
Design Review Fees	3,000.00	0.00	0.00
Pasture Lease	0.00	200.00	200.00
Total Budgeted Operating Income	93,362.97	89,500.00	89,500.00
Expense			
Management fees	7,290.00	7,290.00	8,019.00
Insurance	3,221.80	3,000.00	3,300.00
Legal - General	5,147.00	4,200.00	1,000.00
ADMIN/OFFICE			
Accountant	484.00	200.00	500.00
General Admin: Filing Fees, Postage, Copies	116.10	500.00	250.00
Total ADMIN/OFFICE	600.10	700.00	750.00
Design Review Expense	627.00	0.00	0.00
Water Rights - Legal/Professional Fees	4,516.43	0.00	2,500.00
REPAIRS AND MAINTENANCE			
Repairs and Maintenance - General	2,058.75	1,000.00	2,500.00
Repairs and Maintenance - Supplies	557.25	0.00	500.00
Total REPAIRS AND MAINTENANCE	2,616.00	1,000.00	3,000.00
LANDSCAPING / GROUNDS MAINTENANCE			
Landscaping/Grounds- general	1,430.00	3,000.00	3,000.00
Total LANDSCAPING / GROUNDS MAINTENANCE	1,430.00	3,000.00	3,000.00
SNOW REMOVAL / SNOW PLOWING			
Snow Removal - General	9,414.57	20,000.00	20,000.00
Snow Removal - Ground - Machine	0.00	0.00	0.00
Snow Removal - Ground - Shovel	0.00	0.00	0.00
Total SNOW REMOVAL / SNOW PLOWING	9,414.57	20,000.00	20,000.00
UTILITIES			
Utilities - Electric	425.14	400.00	475.00
Utilities - Trash/Recycle	0.00	2,200.00	2,200.00
Total UTILITIES	425.14	2,600.00	2,675.00
ROAD MAINTENANCE			
Road Maintenance - Gravel/Grading	14,012.50	11,200.00	5,000.00
Total ROAD MAINTENANCE	14,012.50	11,200.00	5,000.00
Reserve Fund	0.00	9,270.00	15,310.00
Total Budgeted Operating Expense	49,300.54	62,260.00	64,554.00
Total Budgeted Operating Income	93,362.97	89,500.00	89,500.00
Total Budgeted Operating Expense	49,300.54	62,260.00	64,554.00
NOI - Net Operating Income	44,062.43	27,240.00	24,946.00
Other Expense			
Capital Expenditures	59,504.00	0.00	0.00
Interest Expense	1,349.99	5,640.00	3,807.00
CLO Principal	0.00	21,600.00	21,139.00
Total Budgeted Other Expense	60,853.99	27,240.00	24,946.00
Net Other Income	-60,853.99	-27,240.00	-24,946.00
Total Budgeted Income	93,362.97	89,500.00	89,500.00
Total Budgeted Expense	110,154.53	89,500.00	89,500.00
Net Income	-16,791.56	0.00	0.00
Checking Account Balance 3/20/23	21,964		

HIDDEN MINE RANCH OWNERS' ASSOCIATION, INC.
BOARD MEETING
FEBRUARY 10, 2023 – 1:00 PM
VIA ZOOM

Present: David McEntire
Rusty Johnson
Derek Zeck
Matt Dungan
Kat Loughan, Toad Property Management

Kat called the meeting to order at 1:04 p.m. and confirmed a quorum. Rusty made a motion to approve the minutes of the June 9, 2022 meeting. The motion was unanimously approved.

Derek said sometimes snow was not removed from the roads for more than 24 hours, depending when the snow started to fall and that made it difficult to drive the roads. Kat explained Lacy had different plow drivers this year and she would reach out to Lacy Construction. Kat also agreed to ask if Lacy could apply Magnesium Chloride earlier in the year as some sections of road required more attention to reduce mud, especially in Spring. David explained low/soft spots on the road had been identified in the past and the Budget included funds to address that work. David said the Association did not intend to apply Magnesium Chloride every year and other methods to deal with the low/soft spots would be tried first.

David said a Conditional Water Rights Decree had been obtained from the State of Colorado for Baxter Gulch. David explained Whetstone Ranch had objected to the granting of an Absolute Decree until the headgate, flume and pipeline were 100% completed. An Absolute Decree could be requested as soon as the infrastructure work was completed and it would not be necessary to wait for the next 6 year water rights renewal.

Kat said some work had been performed at the front entrance and the roof/eave had been removed. David suggested having a simple map of the Ranch etched in glass on an entry sign. Until the Association had more funds available it was agreed to leave the front entrance signage in its current setup. In the meantime, Toad was asked to procure quotes for a new sign exhibit prior to the June BOD meeting.

Kat said she had reached out to three landscaping contractors and one of the contractors would be available in about a month to review the front entrance and propose some new summertime maintenance and landscaping. David said the new Budget included funds to landscape the area around the front entrance. David stressed the landscaping would be attractive and more manicured but not require a lot of water.

Prior to the meeting Kat circulated a quarterly financial report and said one owner was delinquent on dues and had been notified in accordance with the collection policy. David said expenses were slightly over Budget for legal, water rights and repairs and maintenance. In the future all invoices would be reviewed by the property manager for coding, budget compliance and work is 100% complete after which send to the President and Treasurer for review and approval. This would be an attempt to get expenses correctly identified and in line with the budget as well as lien resistant.

David confirmed Hal Hearn had not performed any Capital expense work for the Reservoir in 2022 but some invoices/payment had occurred in 2022 for work performed in 2021.

David said the Checking account balance was currently \$23,293 and some work was underway to correct the Balance Sheet so construction deposits would be shown as a separate line item, not cash.

David explained the Collection Policy was in place and had been available to all owners. The delinquent owner had not brought their account current as agreed on 3/2/2020 and efforts would continue to be made to collect the delinquent dues. Kat said automated reminders had been sent from the accounting software and David said a letter would be drafted from the Board. David asked that the Board be identified of all delinquencies as they occurred.

David said the Board had worked with Kat on the preparation of the 2023 Budget. David explained the Assessor had accepted the Grazing Lease for 2022 and should not be contacting the Association during 2023. Adjustments had been made to the Budget in accordance with actual expenses for 2022 and known expenses for 2023. David explained snow removal expenses for 2023 would be considerably higher than the actual expenses of 2022.

David explained the Bank loan would expire in 2027 and loan expenses for interest and principal were included in the Budget.

The Board approved the 2023 Budget as presented and the Budget would be sent to all owners for approval as part of the annual meeting.

The Annual Meeting is scheduled for March 31, 2023 at 8:30 am (MST). Kat agreed to timely circulate annual meeting documents to owners. David said there will be one Board seat to vote on at that meeting.

Derek said he was encountering house size issues with the County building permit approval process and David suggested Derek contact Mike O'Loughlin, legal counsel, for advice as the Association had already approved the house size and considered the Association's governing documents were grandfathered in for house size.

Derek made a motion to adjourn the meeting at 1:55 pm. Matt seconded the motion and it was unanimously approved.

Prepared by Rob Harper
Toad Property Management