

HIDDEN MINE RANCH OWNERS ASSOCIATION BOARD MEETING

Thursday, December 1, 2016

Board members attending: Rusty Johnson, President; David McEntire, Vice President;
Curt Koutelas, Treasurer; Chuck Beck, Secretary, Niki O'Connor, Board Member

The meeting commenced at 10:00 AM Mountain Time

A motion was made by David McEntire and seconded by Curt Koutelas to dispense with the reading of the minutes of the 8/16/2016 Board Meeting and move for approval. The motion passed unanimously.

Ranch Manager Report: James Brennan reported that the snow has begun and plowing efforts are underway. Rusty confirmed that there will be no construction this winter on lots 19, 1 or 2. The road and cul-de-sac had previously been plowed although James wrote in the plow contract that section was to be left untouched for the winter. James will follow up with Pinnacle once Rusty reports on the construction. There had obviously been some confusion from this first snow storm as Curt's driveway was not plowed. Curt remedied the situation himself, and David has been in contact with Pinnacle for his personal driveway. Don Ochs and James have been on contact to ensure the roads are passable for his contractors and vendors.

James also reported on the status of moving the breaker box at the front entry. James stated he had met with 3 different electrical contractors before one of them would accept the job. CE Electrical from Gunnison accepted the job back in October and promised to have it complete before the snow flew. James was in contact with them while in Thailand and work was supposed to be completed. It did not happen. James will follow up to have job completed in Spring. David commented that Larry Freeman may be available to complete the work and James stated he had already turned the work down. David may contact Freeman again given the time that will have elapsed.

James stated that he had been approached by a couple disgruntled contractors in regards to the front entry project. Both contractors complained of not being paid. David and Curt retorted that all the "new" bank requirements, after the prior letter of commitment, were stifling the entire process. All agreed work performed has been excellent and Curt added that over \$100,000 has been paid to satisfy outstanding obligations. There were unauthorized "extras" performed that were not negotiated in the contract and that is the

issue with the disgruntled folks. Once the newest requirement from the bank has been satisfied David and Curt will again begin to finalize the front entry project including negotiations with contractors.

Entry Project: David reported that Phase 1 has been completed. The pond is complete as is about half the plantings and the aeration system for the reservoir. Hydro seeding will be completed in the Spring. The pond is filling by itself which is indicative that the clay used to line the pond is providing the barrier to hold the water. David also stated that as soon as the bank loan has been secured, all remaining entry projects can move forward to include, trash and recycling receptacle, tree plantings, diversion pipeline from Baxter's gulch, and irrigation to meadow. Rusty commented that all easements are ready to file with our attorneys and the county. As soon as bank requirements are satisfied, he will proceed with the filings. James asked whether the HOA can now apply for absolute water rights for the Springs and whether the attorney can argue that the new pond satisfies decree requirements. David answered that the springs will need to be improved at the point of diversion to make them absolute but there is no threat at all for the water rights in our next diligence application in 2021.

New Construction: David reported that the ARC has no new applications for buildings. Ira Con of Ranch 11, has contacted David in regards to soil studies. David will continue to work with him.

Website

Nicki reported that she is still struggling to get our website vendor to return her correspondence. Nicki is frustrated that her formal letter to the vendor did not elicit a satisfactory response. Repairs to glitches in the website are on hold. The vendor claims a work order has been initiated with Square Space but nothing has been accomplished. The Board agreed that James should take over website updates. Curt and David offered new website vendors. James and Nicki will work together in the transition and report back to the Board with new vendor options. The addition of a water rights tab on the website was discussed and will be tabled till the next Board meeting

Financial Report: Curt reported that other than a few delinquencies there are no major issues with the finances. Wendy had been diligent in contacting all delinquent owners and dues are still coming in. Curt stated his business with the bank is ongoing and once this 4th Amendment to the Covenants is signed and completed, Community Banks will move forward and finance the loan. Rusty stated the HOA has received 15 signed ballots approving the 4th Amendment, which satisfies the 66% needed to approval. Rusty will file with the attorney and the county on Friday. A discussion regarding collateral for the loan ensued. The board voted on, and

unanimously approved a yearly assessment of \$1,326 to assist in servicing the capital improvement loan. The Board will approve this special assessment annually.

Curt made a motion that, if it becomes a bank requirement, the HOA use our water rights as collateral to secure financing for capital improvements. Nicki seconded and the motion passed unanimously.

Open Comments

David stated there was an open invoice from Lacy Construction for road work done this past summer. David and Lacy agreed on \$1000.00 to complete work however, the invoice was submitted for \$1700.00 The Board agreed to have David pay \$1000.00 to Lacy and attach a lien release agreement. David will report back to the Board

The next Board meeting will occur at 9am MST on 2/14/17

The Annual Meeting will occur at 9am MST on 3/14/17

There being no further business, the meeting adjourned at 11:36am MST

Respectfully submitted, James Brennan, Ranch Manager; Chuck Beck, Secretary