

HIDDEN MINE RANCH OWNERS' ASSOCIATION, INC.
BOARD MEETING
MARCH 15, 2022 – IMMEDIATELY FOLLOWING ANNUAL MEETING
VIA ZOOM

Present: David McEntire
Rusty Johnson
Derek Zeck
Will Frischkorn
Matt Dungan
Chet Boyce, Toad Property Management
Ira & Holly Conn, Lot 11

Chet called the meeting to order at 10:22 a.m. and confirmed a quorum was present. Chet said that notice of the meeting had been sent on February 25, 2022.

David made a motion to approve the minutes of the February 22, 2022 meeting, with an amendment to reflect that it had been Derek Zeck who made the motion to adjourn. Derek seconded the motion, and it was unanimously approved.

Rusty explained that David McEntire continued to serve on the Board as a designated representative of another lot owner, which was allowed by the Covenants. Rusty and Chet each expressed, from the Board and the management perspective, how valuable David's institutional knowledge was for the Board.

Rusty made a motion to appoint the following slate of officers:

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

Derek seconded the motion, and it was unanimously approved.

There was a discussion of the Reservoir Project. Chet said he had noted the need to check Toad's files to locate the contract and determine the note and term of the loan. Chet said that there was a request during the Annual Meeting to email members with the full budget for the project. Chet suggested that a quarterly or semiannual newsletter from the Board was a strategy other Associations had successfully utilized to address concerns about transparency.

Board members agreed that a newsletter would be beneficial on a semi-annual basis, and Chet agreed to take on the logistical responsibility of distributing the newsletter to owners once the Board had composed it. It was agreed that Chet, Will, and Matt would touch base via email to discuss the project further.

There was a discussion of the division of utilities with Whetstone Mountain Ranch. Rusty said that Whetstone Mountain Ranch had not historically been forthcoming with the invoices for trash

services, and Chet confirmed that Whetstone had recently sent over the invoice for trash when Hidden Mine sent the invoice for road maintenance. David explained that the road maintenance cost of Smith Road was divided with 83% paid by Hidden Mine, and 17% paid by Whetstone. Rusty said that Hidden Mine paid 50% of the trash service fees and also paid 50% of the cost for the trash receptacle and enclosure. David said that he believed there might be an opportunity in future to renegotiate the payment split for trash services, as well as to address the discrepancy between Hidden Mine owners' ability to use Whetstone Ranch and Whetstone owners' ability to use Hidden Mine. Rusty said that, before any renegotiation, the Board would need to review the terms of the settlement agreement between Hidden Mine and Whetstone.

There was a long discussion of the proposed Amendment to the Covenants to correct ambiguities regarding the Ranch's tax filing status. Chet said that he would take care of the logistical side of distributing the pros and cons list to owners. The Board discussed the fact that the tax benefits were a clear "pro" in favor of the agricultural designation, and Rusty said that he would send Chet some numbers illustrating this point. Discussing the potential "cons," David said that 2 acres surrounding any constructed homes would still be taxed at the regular residential rate, and it was the homeowners' responsibility to install fencing to protect their homes from the cattle. Chet explained that it was typically challenging to get enough owners to return their ballots to pass a Covenant amendment, and the Board would need to allow enough time for mailing and the work that Board members might need to put in to solicit responses from ownership. Chet agreed to put together a timeline for the Covenant change.

David said that the third party architectural consultant who had been assisting the Board in the design review process had raised some concerns about the design review process. In particular, David said that Article 5 of the Covenants outlined a Design Philosophy that embraced a more traditional type of ranch architecture, and specifically suggested that the architectural style should "be rustic and create warmth." David said that the architectural consultant had expressed concern about some less traditional, more contemporary designs that had been approved or had been presented for approval. David explained that the consultant had requested more clarity from the Board regarding the Design Philosophy in order to continue working with the Ranch. David said that he had proposed some edits to the language in Articles 4 and 5 to create flexibility on design while maintaining provisions that required new builds to remain harmonious with the character of the neighborhood. David said that he would circulate his recommendations to the Board.

There was some discussion of Will Frischkorn's design proposal, the review of which was currently being delayed by the aforementioned Design Philosophy concerns. David said that he would seek additional guidance from the Association's legal counsel's desk to determine whether the Board had any options to approve prior to the Covenant change. David emphasized the need to move quickly on this issue.

At 12:25 p.m. David McEntire made a motion to adjourn the meeting. Rusty seconded the motion, and it was unanimously approved.