

Minutes of
Annual Meeting for
Thousand Peaks Ranch Association
June 25, 2011

Meeting Opened at 2:00 p.m.

Board members present: Dennis Kist, Eric Witzak, Ray Lyons

Absent: Rusty Evans, Lynn LaFleur-Dragon

Quorum present with 19 lots represented by physical attendance, and the following proxies

Lynn LaFleur Dragonfly 15 proxies (proxied to Dennis Kist)

Sandra Hagan 1 proxy

Vern Wagner 5 proxies

Rusty Evans 1 proxies (proxied to Dennis Kist)

Ray Lyons 4 proxies

Eric Witzak 3 proxies

Dennis Kist 52 proxies

Nancy Austin 1 proxy

Greg Kimsey 1 proxy

Jory Rayton 1 proxy

Invalid 8 proxies

82 proxies sent in and presented to the Secretary. No challenge was raised to the presence of a quorum.

Minutes of 2010 Annual Meeting. M/S/C to waive reading of minutes since they have been posted on the internet for owners to read and review. M/S/C to accept minutes as posted.

Environmental Quality Improvement Program: Vice President Ray Lyons reported:

We continue to work to improve the grazing capacity and quality of our ranch. 2 cattle guards have been installed to divide the ranch into east and west pastures. Intend to develop sources, and work on the windmill on the west side. The agricultural use of our ranch is of course critical to each of us from the tax standpoint as well as the ranch improvement funding. M/S/C to accept report.

Treasurers Report: Presented by President Dennis Kist:

Treasurer's Report July 1, 2010 through June , 2011

Bank Account Status

Checking Balance. June 23, 2011	\$ 313.02
Savings Balance, June 23, 2011	\$ 39,615.70
	\$ 39,928.72

Income	Dues, Late Fees, Lien Payments	\$34,937.50
	Cattle Lease	\$ 3,100.00
	EQUIP Grant	\$ 1,573.43
		\$39,610.93

Expenditures

Ranch Improvements	\$ 5,300.00
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Legal	267.07
Roads/Snowblower	8,741.48
Miscellaneous	339.00
Annual Mailer	268.30

\$14,916.15

- Taxes - Dues are tax exempt for non-profit organization. Grazing revenue is NOT tax exempt

Two copies of the bank account statements for the past 12 months were made available to owners present to review. When we receive the financials from the CPA they will (hopefully) be posted on the website M/S/C to accept Treasurer's report.

President's Report: President Dennis Kist reported:

1. Website. The website, TPRACOLO.COM, needs some updating. Since this is strictly volunteer work, I do the best I can to keep it updated but sometimes that is not too current. I did receive one complaint last year from a homeowner who wanted to be able to put comments on the website, but I did not agree to do that because of the time involved. I still have to put the CPA report from last year on it, and I will try and do that soon.

2. Cattle Lease

This has been a very difficult situation. As you probably know, Vern Wagner, the lessee, has been charged by county with animal cruelty due to the death of one calf off of Thousand Peaks. He is also being sued by the State Agricultural Department due to the alleged death of over 100 cattle last year during our long and harsh winter. He is also involved with lawsuits with his former partners. After last year's annual meeting, the Board of Directors met with Wagner to see how he was going to catch up on his overdue payments, which was then about 2 months late, and also how he was going to pay in the future. Wagner assured the Board that when he sold his calves in October or November, he would bring all payments up to date. The Board, based upon Wagner's history of keeping current with payments and following through on other commitments to the Board, accepted this assurance and kept Wagner's lease intact. During the fall however the State seized all monies collected from the sale of the calves and deposited that money in the court in Fairplay. So Wagner had no money to pay on our lease or any of his other leases. We were dealing with Wagner on trying to determine how he was going to continuing operating, and Wagner advised that he was going to file for Chapter 12 reorganization in bankruptcy court and we would be paid through that plan. The bankruptcy was filed in January 2011, but to date there is not plan accepted by the court to pay the creditors. We are currently owed about \$24,000.00. Wagner is still battling with his former partners, and claims that he is owed about \$250,000.00. But that does not get us paid. We filed a "feeders lien" against Wagner and the cattle so that we can try and be in a secured creditors position in bankruptcy court, or if the bankruptcy falls through, then to be able to try and get our money by selling some of the cattle. But nothing is for sure.

In April 2011, the Board met with Wagner and advised him that if he did not keep current, we would remove the cattle from the ranch in accordance with the terms of the lease. As of this date, Wagner was current for April and May, and then transferred title to a horse trailer to the Association for June and July. And Wager will be reducing the number of head from approximately 250 to about 60-70 at the end of this month. So as of now he is current from April through July. The bankruptcy covers the period from May 2010 through January 2011. The board thought there was a better chance of getting paid if we tried to work with him rather than just put him out of business. But only time will tell. In the meantime, in order to cover any shortfalls due to Wagner this year, the Board entered into a lease with Rafael Esparza, who is leasing the west side of the ranch. We have restricted Wagner

to the east side of the ranch. The lease with Esparza is for 5 months and allows 100 head or 200 yearlings. He has paid us \$3,000.00 up front and will pay the remaining \$3,000.00 when he sells his yearlings. We have had good reports that Esparza can be trusted to follow through on his commitments.

3. Budget. Based upon our financial situation, the Board budgeted only \$5,000.00 for snow removal last year. Fortunately, we had almost no snow and did not have to remove any snow. The lack of snowfall has not helped the pastures however.

The board also budgeted \$10,000.00 for road maintenance this summer.

M/S/C to accept report.

Road Report: Presented by Eric Witzak:

Eric has contacted 2 road companies. He is meeting with one this afternoon. Will focus on the east side of the ranch this year. Hope to raise part of the roads to keep from flooding. 2 cattle guards have been installed

Election of Officers:

The floor was opened for nominations for the five seats on the Board of Directors:

Vern Wagner nominated the existing Board of Directors:

Dennis Kist.....Accepted

Lynn LaFleur-Dragonfly.....Accepted

Rusty Evans.....Accepted in writing

Ray Lyons.....Accepted (verbally)

Erik Witzak.....Accepted

M/S/C to close nominations.

Motion to instruct Secretary to issue a white ballot in favor of the uncontested nominees and to elect them by acclamation. Seconded. Carried.

Old Business. None.

New Business. None.

M/S/C to adjourn at 2:35 pm

Respectfully submitted,

Dennis Kist