

Thousand
Peaks Ranch Association Meeting Annual Meeting
July 13, 2019

Fairplay, Colorado

Meeting opened at 2:00 p.m. on Saturday July 13, 2019.

77 proxies in and 28 landowners present. A quorum was approved.
M/ S/C to accept the quorum.

Board members presents: Dennis Kist, Ray Lyons, Rei Ortiz, Eric Witzak, Jennie Himes, Julie Mills

Minutes from the 2017 Annual Meeting were read because the 2018 meeting was cancelled due to the wildfire.

Ranch improvements made:

Ray Lyons put in the culvert on Four Mile Creek Road. The dirt underneath is very deep and complete mud, because of that a 24 inch culvert needs to be put in. The new culvert has allowed it to work tons better. One of the main reasons that the roads are getting worse is because there are more people living at TPRA. Many are living further out, out in the middle of nowhere, which effects the snow removal because there is more to remove for those individuals. That takes more funding and time obviously. There was only 4 personal days where people couldn't get out for work.

The Snow Blower/Removal Machine:

Due to the stress use and hills/rocks has caused significant damage to the transmission. Other options have been looked into and considered. We need 50K to replace a really good used snow blower. Ray Lyons feels we have done a good job this year and the roads are in the good shape.

Some questions ask were: Can we put small speed bumps to make people slow down and/or signs? Dennis Kist stated that would cost money that we don't have. What is going to be done with the old culverts sitting in the fields? The answer to that was they have started to be cut in-half and will be picked up to use as scrap metal. New cattle guard was put in and is no longer a true cattle guard because it is full of mud underneath but no longer needed. Will there be any more grading on the roads now with the damage that has been done by the mud this spring? We can't really do anymore until what we see what winter brings according to Ray Lyons. There are 58 miles of road on the ranch. 30 miles of the roads we actually take care of. 2 to 3 years ago it was only 20 miles. M/S/C to accept the report.

Snowblower: 1st option-to get the old one fixed, but even when it's fixed the conclusion is that it will keep breaking because of our roads being so rocky and not being payment. It was ask if we can get the finance for a front loader and a blower attached? Do we do summer maintenance and get more snow fencing put up? We could send out an assessment and then find out what the new dues would actually be?

The short falls are people NOT paying. There are some land owners that are willing to increase HOA fees and some are not willing. Took a vote whether to increase the dues or wait for the assessment? M/S/C for having an assessment done.

As a board we had made a decision not to do the roads where people weren't living permanently. 100% of all dues goes to the roads.

Roads: The snow blower we have has been a good one but used very hard and its very old. The design of the recent snow blower is more for paved roads and doesn't like rocks. 2/3 inch of rock in diameter gets pulled in which breaks the ribbons. Its on a truck style and doesn't have the clearance it needs for our roads at TPRA. We need to

look into a better machine that fits our conditions at TPRA. M/S/C to accept looking into a new snow blower.

Treasurer's Report:

Jennie Himes reported as follows:

Profit and Loss for our fiscal year July 2018-June 2019 Our total income is \$42,073.63

Our total expenses is \$81,586.75

We are currently -\$39,513.12 in the negative for operating income

\$54,149.50 went to road maintenance

\$11,517.78 went to road maintenance materials

\$3,450.00 went to snowblower

\$1,207.98 went to snowblower maintenance parts

\$9097.50 went to tax payment (some of this is for the projected taxes for this fiscal year also)

More specifics are in the documents attached.

If we have another year like this last winter, we do not have the money for it. There needs to be some serious conversation about a plan on how to maintain roads and such if it gets to a critical point.

Balance sheet total we have as of June 30, 2019 Federal Tax Deposit \$117.76

Savings account \$8,771.98

Main Checking account \$17,841.77

The undeposited funds is where deposits go before they have cleared. I am attaching the profit and loss for 2015-2019

2015-16 Total income 39,827.08 Total expenses 52,092.11

Net operating income -12,265.03

2016-17 Total income 60,998.07 (first year I took over and started collecting dues for outstanding balances)

Total expenses 39,881.35

Net operating income 21,116.72

2017-18 Total income 61,483.26 Total expenses 37,395.63

Net operating income 24,087.63

2018-19 Total income 42,073.63 (this year I have a lot of people who haven't paid who usually do) Total expenses 81,586.75

Net operating income -39,513.12

2015-2016 we were 20K in debt.

Thousand Peaks Ranch Association

PROFIT AND LOSS

July 2018 - June 2019

TOTAL

Income

Annual Dues 25,615 .66

Cattle Lease 15 ,000.00

Driveway Snow Removal 1,000.00

Interest Income 8.01

Late Fees 749.96

Unapplied Cash Payment Income -300.00

Total Income \$42,073.63

GROSS PROFIT \$42,073.63

Expenses

Accounting Fees	712.50
Bank Fees	25.00
Legal Fees	547.00
Office Expense	879 .49
Road Maintenance	54,149 .50
Road Maintenance Materials	11 ,517 .78
Snowblower	3,450.00
Snowblower Maintenance Parts	1,207 .98
Tax Payment	9,097 .50
Total Expenses	\$81,586.75
NET OPERATING INCOME	\$-39,513.12
NET INCOME	\$-39,513.12

Cash Basis Thursday, July 11, 2019 04:29 PM GMT-7 1/1

Connie Nicoletti, a licensed accountant, spoke up and complimented Jennie for all her hard work! She stated that Jennie has done such an excellent job at keeping the books so organized. Jennie has taken so much personal time talking to title companies and looking up on the internet to try and locate phone numbers and addresses for all the individuals that have late fees. M/S/C to accept Jennie's report. Jennie again was complimented on the amazing job she's doing as the treasurer.

Cattle Lease is back up for lease in 2020. It had first been split with Vern and now it's with Raphael which is paying on time. When people don't pay their fees for the HOA dues we can't do anything legally to those that don't pay. We could try and put liens on properties that don't pay, but that means they haven't done it through a title company. If they do have it through a title company then the ranch is paid. Ray Lyons brought up that none of the board positions are paid positions, so each person doesn't have the time to keep trying to fix these problems.

Well head for cattle grazing on lot 2 still available? The land owner stated that it was very much still available. There needs to be a lot more fencing put in because we don't want the cattle coming down to the highway. Guaranteed income for cattle leasing was also discussed.

Cattle release is with Raphael. A land owner brought up that in the next lease it needs to state that the cattle has to be picked up properly and on time from when a problem as been reported. Also, stated that there should be no wait time for pick up and land owners can't wait until the cow is clean because we can't have them laying and rotting in the ground. Talked about the cows in distress and ones that had died on certain property. Raphael needs to come and pick them up when he gets a call is what was discussed.

Since our last meeting we've had some board members resign and added Jennie Himes and Julie Mills.

Discussed the Financial report for the snow blower, a new snow blower, and late fees and how to handle them: Snow blower was bought in 2009 from an airport in Ohio for \$30-35k and took out a loan. The value of having a new snowblower would be 60-80k. Income is 48,800 IF everyone paid. How much is our snowblower we have now going to bring in? How many would double their dues to help pay for a new snowblower? Several raised hands. Can there be a way to have parking spots/lot during the heavy snow times? Tar roads? Goat trails were great but now with more people moving out to TPR the roads have to be maintained more. There was an exempt letter given to certain people back in the 90's. Not sure why and can this still be in effect? Can we change our bylaws so no one is exempt? As an association can we create bylaws that no one can be exempt? 67% of the vote would allow the bylaws to be changed in court but takes a couple years Dennis Kist stated. We are needing more rock brought in for the roads to be better but also we need money to bring that rock in. A dump truck load of rock is around \$350-\$400. TPR biggest expense is the road maintenance. That is no matter the season. In 2005 we had 100K but that dwindled down fast because of having to hire out subcontractors. There are 338 lots total. There are 50 full timers at most which is a guess. Thinking 10% live out at TPR permanently. There are 11 lots that have up to \$1000 to pay up on late fees. Dues will need to be raised and/or more cattle leasing, but that won't

even bring in enough. How about having a special assessment done and done year after year? Maybe just looking at having a specific snow route? Then every route could have an assessment and pay more if there was a snow route for them. That would be if we only use the dues to do four mile creek up to Erik Witzak's house. 15K a year for that route. Does the association want to do that? But if we don't do each road it will cost more money in the long run for the roads. Dennis and Ray discussed how we have to take care of all roads because it creates more challenges to deal with later on which cost more money. As a board we had made a decision not to do the roads where people weren't living permanently. 100% of dues goes to the roads.
M/S/C to accept report.

Road report: already discussed and added nothing else.

Nominations were opened. Dennis Kist asked if anyone other than the current Board were interested in being on the Board. Samuel Galza and Connie Nicollett stated that they would like to be on the Board. A motion was made to re-elect the current Board Members and to include Sam and Connie as new Board members. M/S/C to accept existing and new Board members.

Old business: None

New business: None

Unfinished Business: None M/S/C to adjourn at 3:30 p.m.

Julie Mills Secretary