

South T-Bar Ranch Property Owners Association, Inc.

Meeting Minutes for the June 28, 2008 Annual Meeting of the Members

For brevity, South T-Bar Ranch is denoted by "STB" and Property Owners Association is denoted by "POA" throughout the minutes.

REGISTRATION

POA members were directed to sign in and ballots were issued to one person per STB parcel represented. Handouts were available that included (1) the meeting agenda, (2) draft meeting minutes from previous owner meetings, (3) Financial Reports, (4) resumes of the candidates for the board and (5) Summary of Board Responsibilities.

JUNE 28, 2008 ANNUAL MEETING

I. CALL TO ORDER – 9:08 AM

The June 28, 2008, Annual Meeting of the Members of the South T-Bar Ranch POA was called to order by President Jim Greenwood at 9:08 AM, in the conference room of the Quality Inn, 3075 E. Highway 50, in Cañon City, CO. The meeting was opened with the Pledge of Allegiance to the American flag. Jim Greenwood recognized the members of the board, the managers of STB Minerals, LLC, and new parcel owners.

Secretary Ann Eulert reported that 88 parcels were represented for voting either in person or by proxy (list attached). (Representatives of three additional parcels arrived later, bringing the total to 91, with 63 parcels represented in person and 28 by proxy.) Jim Greenwood declared that a quorum was present.

Mark Sobczak moved that POA member comments be added as an agenda item for this meeting, as this was a requirement of Colorado law. Gary Hawley seconded. The membership agreed to conduct the vote on this motion by a show of hands (instead of written ballot). There were 67 votes in favor of the motion and none opposed. The motion passed.

Jim Greenwood reviewed the Owner Meeting Conduct policy and indicated that the time limit for speaking at this meeting would be set at two minutes. Rick Avena moved to suspend the limit on how long a member can speak to allow for open discussion. Gary Hawley seconded. The membership agreed to conduct the vote on this motion by a show of hands. There were 24 votes in favor of the motion and 67 opposed. The motion failed.

II. MINUTES FROM PREVIOUS MEETINGS – 9:23 AM

Gary Hawley moved to accept the minutes from the meetings of the June 30, 2007 Annual Meeting, the October 20, 2007 Special Meeting of the Members, the December 8, 2007 Budget Approval Meeting, the January 19, 2008 Special Meeting of the Members, and the May 22, 2008 Parcel 103 Teleconference. The motion was seconded and discussion followed.

Brenda Coon moved to amend a paragraph from the minutes from the October 20, 2008 Special Meeting of the Members regarding an exchange she had with the POA's attorneys at that meeting. Mark Osgood seconded. Jim Greenwood reviewed correspondence from the POA's attorneys objecting to this requested change. The membership agreed to conduct the vote on this amendment by a show of hands. There were 33 votes in favor of the amendment and 46 opposed. The amendment failed.

There was no further discussion. The membership agreed to vote by a show of hands on the motion to accept the minutes from the meetings of the June 30, 2007 Annual Meeting, the October 20, 2007 Special Meeting of the Members, the December 8, 2007 Budget Approval Meeting, the January 19, 2008 Special Meeting of the Members, and the May 22, 2008 Parcel 103 Teleconference. There were 78 votes in favor of the motion and 5 opposed. The motion passed.

III. TREASURER'S REPORT – 9:33 AM

Treasurer Betty Sue Cornella reviewed the Balance Sheet, Income Statement, and Summary of Minerals Costs as of June 27, 2008 (attached). Discussion followed.

IV. LOCAL VOLUNTEER AGENCIES – 9:23 AM

Gary Lack, representing Tallahassee Rural Fire Protection Association, reported on equipment they have available to protect the ranch from wildfire and that we are currently under a fire ban. Attendees were reminded that smoking is allowed only in closed areas, that no open flames are allowed outdoors, and that everyone needs to have a defensible space around any structures on their property.

Chris Hecox, representing Northwest Fremont Emergency Medical Services, reported on the services this agency provides, the boundaries of their service area, and responded to several questions. NWFEMS will be having an open house at its new building on July 12, and everyone is invited to attend. Response time in our area has historically averaged 13 minutes, and the response time for a helicopter is approximately 22 minutes. If you have a medical emergency, call 911 to request assistance.

V. TREASURER'S REPORT (CONTINUED) – 10:02 AM

Julie Hawley moved to approve the Treasurer's Report. Mark Sobczak seconded. The membership agreed to conduct the vote on the motion by a show of hands. All were in favor, and the motion passed.

VI. COMMITTEE REPORTS – 10:04 AM

Jim Greenwood reported on the status of the roads.

Ann Eulert reported on the history and current status of the BLM easement. Discussion followed. POA member Rick Averna agreed to work with the board to execute an extension of the expired easement agreement for a period of three years.

Betty Sue Cornella reported that the cost of our trash service has recently increased by 53%. Some of this cost increase is being passed on to Bar-J Ranch, since they also use our dumpsters.

Julie Hawley volunteered to look into getting cluster mailboxes installed.

There may be a need to increase the assessment next year due to cost increases for our trash service and to cost increases in several other areas.

VII. BYLAWS CHANGE – 10:36 AM

Jim Greenwood moved to adopt the proposed bylaws change regarding the requirements for making amendments to the bylaws as presented by the Legal Committee (attached). Kim Wolfe seconded.

Jim Greenwood and Kim Wolfe agreed to a friendly amendment that notification shall be by e-mail and by US Mail to those who do not have e-mail.

Gary Lack moved to table any further discussion to provide additional time to review the proposed Bylaws amendment. Rick Averna seconded. The POA membership agreed to vote by a show of hands on the motion to table. There were 14 votes in favor of the motion and a majority of votes opposed. The motion failed.

Christine Stark moved to amend the proposed bylaws change to clarify that opposition to a proposed change can be made by either e-mail or by US Mail. This was accepted as a friendly amendment. William Hendrich noted that there are some cases where legal notice is required to be by US Mail.

Brenda Coon moved to amend the proposed bylaws change to specify things that cannot legally be changed by this process. Discussion followed, and the amendment was withdrawn.

The POA membership agreed to vote by a show of hands on the motion, as amended, to adopt the proposed bylaws change affecting the process for amendments to the bylaws as presented by the Legal Committee, with the clarification that notification can be made either by e-mail or by US Mail and that objections can be made either by e-mail or by US Mail, subject to verification that it is legal to make such notification and objections by e-mail. There were 88 votes in favor of the amendment and none opposed. The motion passed.

VIII. RECOGNITIONS – 10:57 AM

Jim Greenwood recognized the following people for their contributions to the POA:

- **Newsletter Editor** – Marcee Perelman
- **Annual Meeting Committee** – Betty Sue Cornella, Dean Cornella, and Mark Trotta (Katherine McGill also helped with preparations for the Annual Meeting)
- **Noxious Weeds** – Gary Lack and Gary Hawley
- **Webmaster** – Curtis Eulert
- **Evacuation Route** – Tony Revack

Mark Sobczak recognized the board for its service to the POA for the past year with the presentation of American flags to the board members and also recognized the contributions of our military veterans and their families with the presentation of American flags.

The meeting was recessed for a break at 11:03 AM.

IX. MINING REVIEW – 11:19 AM

The meeting was reconvened at 11:19 AM.

Jim Greenwood reviewed the activities of the board during the past year related to the mineral rights and mining activities (attached). Tom Pool reported on the status of the LLC. Discussion followed.

X. NEW BUSINESS – 12:00 NOON

Jim Greenwood announced that four parties from adjacent parcels had filed a lawsuit requesting to be recognized as members of the POA.

XI. PARCEL 103 – 12:10 PM

The first vote on the Parcel 103 issue was inconclusive, so the parties involved have agreed to conduct another mail-in vote. Robert Sapp joined the meeting by phone, and the floor was opened to questions about this issue. Discussion followed.

XII. POA MEMBER COMMENTS – 12:50 PM

The floor was opened for POA member comments.

Mark Sobczak stated his belief that there had been poor communication from the board on three issues.

Gene Lamb and Gary Fisher expressed concern about ATV riders trespassing on their properties. Discussion followed. The owner of the parcel from which the ATVs appear to have come needs to be contacted to discuss this.

XIII. BOARD MEMBER ELECTIONS – 1:02 PM

Jim Greenwood recognized the following board members were beginning the second year of their two-year term:

- Dean Cornella
- Jim Greenwood
- Ann Eulert
- Joe Price

Jim Greenwood noted that terms for the board were for two years and that board members normally receive an expense consideration to offset the costs of their work on behalf of the POA. However, the previous board had elected to suspend the expense consideration for the previous year. Jim Greenwood reviewed the nominations that had been received to date:

- Rick Aversa
- Betsy Beck
- Betty Sue Cornella
- Jack Davis
- Mark Osgood
- Mark Sobczak
- Anelladee Spencer
- René Suarez

The following nominations were received from the floor:

- Gary Hawley
- Terry Hartman

Mark Sobczak moved to close the nominations. Lynn Fish seconded. None were opposed and the nominations were closed.

The nominees who were present introduced themselves. The meeting was recessed for voting and ballot counting.

XIV. ELECTION RESULTS – 2:08 PM

The meeting was reconvened at 2:08 PM and it was announced that the following candidates had been elected to the board:

- Betty Sue Cornella
- Mark Sobczak
- Anelladee Spencer
- René Suarez

XV. ADJOURNMENT – 2:10 PM

Gail Greenwood moved to adjourn the meeting at 2:10 PM. Curtis Eulert seconded. None were opposed and the meeting was adjourned.

The Board of Directors of the South T-Bar Ranch POA would like to thank the following volunteers for their help before, during, and after the meeting:

Registration & Sign-in: Steve & Karen Golin and Ralph & Anelladee Spencer

Ballot Counters: Tim Anderson, Roy Bebee, Joe Price, and Bill Wendt

South T-Bar Ranch POA Board of Directors

Jim Greenwood, President

Dean Cornella, Vice President

Betty Sue Cornella, Treasurer

Ann Eulert, Secretary

Jack Davis

Katherine McGill

Joe Price

Mark Trotta

These minutes were prepared by Ann Eulert, Secretary, and were submitted to the POA membership for approval on June 27, 2009.

2008 Annual Meeting - Attendee List

Parcels represented in person (63):

Parcel No	Name(s)
93	Anderson, Tim
111	Andrews, Bruce & Linda
92	Averna, Richard
14	Bebee, Roy
59	Pat & Leigh Blankenship
10	Cochran, Will
103 & 104	Coon, Steven & Brenda
9 & 35	Cornella, Dean & Betty Sue
23	Cressman, Mike
36	Davis, Jack
79	Delaney, John & Kreiner, Marie
83	Ducy, George & Jan
96	Eulert, Curtis & Ann
62	Fatt, Danu
13	Fish, Lynn
38	Freeman, Stacy
69	Galarowicz, Don & Debbie
64	Golin, Steve & Karen
19	Greenwood, Jim & Gail
110	Groome, Virginia
51	Gutierrez, Sergio & Lisa
98	Hawley, Julia & Gary
27	Hendrich, Bill & Helen
7	Johnson, Darrell
106	King, Carol & Fisher, Gary
77	Lack, Gary & Roleen
107	Lamb, Gene & Jenny
66	Little, Becky
85	McGill, Katherine
4 & 5	Moody, Kevin
87	Mudd, Diane
8	Osgood, Mark & Wanda
91	Perez, Stephen
17, 18, 22, 25, 26, 56, 60, 67, 99 & 112	Pool, Tom & Atkinson, Kitsi
3	Raymond, Stacy
41	Renck, Roger
24	Revack, Tony & Susan
43	Rico, Ron & Patricia
42	Roberts, Jim & Karen
15 & 65	Sobczak, Mark
70	Spencer, Ralph & Anelladee
50 & 63	Stark, Nathan & Christie

2008 Annual Meeting - Attendee List

88	Thielen, Alan & Susie
20	Thurston, Butch
72	Tunner, Jan & Malo, Mike
90	Walker, Ron
11	Wendt, William & Barbara
109	Wilson, Bobby & Johnnie May
37	Wolfe, Mike & Kim

Parcels represented by proxy (28):

Parcel No	Name(s)
52	Benassi, Carla Ann
74	Connor, Elizabeth
2	Einhardt, Steven & Wendy
54	Good, Scott & Jennifer
105	Grabowski, Joseph & Mary
45, 55, & 57	Hallstein, Walt & Rosenfeld, Lana
68	Hamilton, Jeff & Beverly
47	Hartman, Terry
108	Hughes, Angela
53	Julian, Brad & Ann
76	Kilgore, Wesley & Therese
71	Knopp, Sam & Candi
28	Parkey, Jeff & Martha
97	Perelman, Dennis & Marcette
84	Perry, Annette & Mosher, Ellen
73	Plummer, Everett & Audra
29	Rose, Trudie
46	Snellman, Erick and Mary Jo
102	Snow, Danny
31	Sorley, Tamara
82	Stassart, Philippe & Elise
80	Steele, John & Deborah
81 & 101	Suarez, René & Beck, Elizabeth
39 & 40	Umstead, Dwight & Isabelle

Guests/Adjacent Parcels:

Fremont 160	Russ Coover
Colorado Mounted Patrol	Guest
Elk View 2	Price, Joe

SOUTH T- BAR RANCH POA

Balance Sheet
June 27, 2008

ASSETS:

Legacy Bank /Checking	\$	2,218.14
Legacy Bank / Money Market	\$	22,377.07
Legacy Bank / Money Market - Loan Fund	\$	471.16
Accounts Receivable / Annual Assessments	\$	878.86
Accounts Receivable/ Mining Related Costs	\$	372,968.14
TOTAL ASSETS	\$	<u>398,913.37</u>

LIABILITIES

Accounts Payable	\$	197.50
Notes Payable - Legacy Bank	\$	263,274.84
Notes Payable - Member Loans	\$	99,500.00
TOTAL LIABILITIES	\$	<u>362,972.34</u>

EQUITY

POA General Reserve Fund	\$	14,345.05
POA General Fund 2008	\$	21,595.98
TOTAL EQUITY	\$	<u>35,941.03</u>

TOTAL NET WORTH & EQUITY	\$	<u>398,913.37</u>
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SOUTH T-BAR RANCH POA

INCOME STATEMENT

General Funds

as of June 27, 2008

	Year To Date June 27th 2008	Annual Budget 2008	Variance
Income			
Annual Expense Assessment	\$ 43,845.00	44,240.00	\$ (395.00)
Annual Road Use Fee	\$ 7,110.00	7,110.00	\$ -
Grazing Lease	\$ 1,800.00	3,600.00	\$ (1,800.00)
Interest	\$ 110.68	1,000.00	\$ (889.32)
Late fee	\$ 83.94	100.00	\$ (16.06)
<i>Other Income</i>			
Ownership Change Assessment	\$ 50.00	350.00	\$ (300.00)
J-Bar Ranch Trash Reimb		2,400.00	\$ (2,400.00)
Gate Remotes		45.00	\$ (45.00)
Newsletter Advertising		100.00	\$ (100.00)
Misc Income United Fire Ins/refund	\$ 248.00	0.00	\$ 248.00
Legal Expense Deposit	\$ 5,349.50	0.00	\$ -
Mining Road Use Income		6,000.00	\$ (6,000.00)
Total Income	\$ 58,597.12	64,945.00	\$ (11,697.38)
Expenses			
Road Maintenance			
Road Contract	\$ 10,000.00	19,200.00	\$ 9,200.00
Other Road Maint.	\$ 15,245.00	13,028.00	\$ (2,217.00)
<i>Insurance</i>			
General Liability		2,500.00	\$ 2,500.00
Officers Liability		1,250.00	\$ 1,250.00
Officer's Bonding		225.00	\$ 225.00
Gate Electric/Maint	\$ 110.55	930.00	\$ 819.45
Trash Service	\$ 3,913.50	6,692.00	\$ 2,778.50
Newsletter & Communication		300.00	\$ 300.00
Post Office Box		40.00	\$ 40.00
Accounting Fees		600.00	\$ 600.00
Legal Fees	\$ 7,738.30	15,000.00	\$ 7,261.70
Corporate Taxes	\$ 200.00	1,700.00	\$ 1,500.00
Dues Collection Expenses	\$ 7.75	270.00	\$ 262.25
Annual Meeting Expense		1,600.00	\$ 1,600.00
Repairs & Maintenance		1,000.00	\$ 1,000.00
Board Meeting Expense		100.00	\$ 100.00
Misc Expense	\$ 467.40	510.00	\$ 42.60
Total Expenses	\$ 37,682.50	64,945.00	\$ 27,262.50
Income (Loss) from Operations	\$ 20,914.62	\$ -	\$ 20,914.62

SOUTH T-BAR RANCH POA

Summary of Minerals Costs as of June 26, 2008

Summary of Mining Expenses	Year to Date thru Dec 07	Year To Date Thru June 2008	Total 2007-2008
Income	4,123.46	257.75	4381.21
Expenses			
Legal Fees	\$ 213,209.23	175,584.47	\$ 388,793.70
Appraisal Costs		12,000.00	\$ 12,000.00
Other mining related costs	\$ 674.48	1,532.32	\$ 2,206.80
Interest Expense	1,454.19	10,116.16	\$ 11,570.35
Total Expenses	\$ 215,337.90	199,232.95	\$ 414,570.85
Estimated Legal costs for POA	\$ 25,679.50	11,542.00	\$ 37,221.50
Net Mining Related Expenses	\$ 185,534.94	\$ 187,433.20	\$ 372,968.14

Summary Mining Expense Costs

	Expenditures
Legal Fees Retainer	(5,000.00)
Quality Inn room rental	(100.00)
Dufford & E May legal f **	(2,959.50)
Ann Eulert mining related costs	(102.91)
Dufford & E June legal Fees	(21,537.35)
Dufford & E July Legal Fees	(21,139.97)
Legacy Bai Doc Fee	(100.00)
Dufford & E August Legal Fees	(7,223.75)
Deister, W: Abstract Title	(7,754.50)
Legacy Bai Interest on loan	(37.92)
Dufford & E Sept Bill	(29,865.89)
Legacy Bai Interest on loan	(188.28)
Betty Corn Refresment for Oct 20th	(98.35)
Discovery room rental	(245.00)
Dufford & E October Bill	(77,065.05)
Legacy Bai Interest on loan	(324.92)
Dufford & E Billing through 11/30/07	(40,663.22)
Ann Eulert Copy & Postage Costs	(128.22)
Legacy Bai Interest on loan	(803.07)
Income fro Title Review reimb part	8,000.71
Dufford & E Dec Legal	(38,178.55)
Atkinson F reimb 1/2 of Abstract costs	(3,877.25)
Clarion Ho Mining Meeting	(878.15)
Legacy Bai Interest on loan	(1,253.75)
US Postm: Jan 19th meeting mailing	(174.47)
Dufford & E Jan Legal Bills	(59,331.29)
Legacy Bai Interest on loan	(1,569.25)
Betty Corn Reimb Jan 19th Meeting Expenses	(438.88)
Dufford & E February L	(23,452.97)
Legacy Bai Interest on loan	(1,902.68)
Dufford & E March Leg:	(18,832.05)
Legacy Bai Interest on loan	(1,702.91)
Tom Pool reimb /2nd Opinion CPA/Berenbaum, I	(7,217.50)
Ellis Intern: Retainer/ Appraisal	(12,000.00)
Dufford & E April Legal Bill	(28,377.11)
Legacy Bai Interest on loan	(1,779.15)
Tom Pool reimb/2nd Opinion CPA/Berenbaum,B	(195.00)
Interest on loan	(1,908.42)
Total Expenses related to mining	410,189.64

Current Bylaw

Article IX. AMENDMENTS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Board of Directors at any regular or special meeting of the board of Directors, subject to the rights of Members to repeal or amend Bylaws as provided by law.

PROPOSED BY-LAW CHANGE

Article IX. AMENDMENTS

SECTION 1. Amendment Proposals - Proposals to amend, alter, or repeal these bylaws and adopt new bylaws (“Amendments”) may be proposed by the Board of Directors or by the membership either by a majority of a quorum at a meeting of the members or by a written instrument signed by 1/3 or more of the members of the Association.

SECTION 2. Notification - A notice of the proposed Amendment shall be submitted to the members of the association:

(a) If the Amendment is to be voted on by the Board, Members must be notified of the proposed Amendment not less than 60 days before adoption. Members, in good standing, may comment on the wording of proposed changes, suggest revisions, or state their opposition, in writing, and such comments must be received at least 15 days prior to adoption. If more than 10% of the members in good standing state their opposition, in writing, to the proposed change, the Amendment must be voted on by the membership. If fewer than 10% of the membership are opposed, the Amendment can be adopted by the Board without further discussion by the membership subject to the rights of Members to repeal or amend Bylaws as provided by law.

(b) If the Amendment is to be voted on by the membership, Members must be notified of the proposed Amendment not less than 10 nor more than 50 days prior to an Annual or Special meeting at which the Amendment is to be voted on via U.S. Mail.

SECTION 3. Adoption of Amendment - Following proper notification, these Bylaws may be altered, amended or repealed and new Bylaws may be adopted upon:

(a) an affirmative vote of a majority of a quorum of voting members at an Annual Meeting or Special Meeting, or

(b) an affirmative vote of a majority of a quorum at any regular or special meeting of the Board of Directors.

Major Steps Related to Mining Since '07 POA Annual Meeting

- 7/11/07
 - Reorganize Board committees to focus on mining
 - Need for \$\$ recognized as major issue
 - Mtg set for new Board with mining attorneys
- 8/4/07
 - Focus on how to fund mining work (est=\$200k)
 - LOC interest by 2 local banks
 - JGreenwood moves, GHawley 2nds entering into LOC, passes unanimously
 - LOC communicated to POA members

- 9/8/07
 - Attempt to gain control over attorneys' spending & "self direction"
 - Major "to do's" identified, many contingent on Title analysis (est. completion: October '07)
 - 1st effort by outsider to join POA
 - Agree, w/attys, need for special meeting
 - Confirm 51% ownership of minerals
 - Explain need for, get approval to form LLC
 - Attys caution conveying too much info to POA members cuz of tax, securities, &/or legal consequences

- 9/25/07
 - Set special POA meeting date of 10/20/07
 - Determine scope/limits on motions
 - Prep extensive background materials for packet
 - Logistics
 - Confirmed legality of proxies
 - Title analysis status? "in process"

- 10/6/07
 - 2nd attempt by outsider to become POA member
 - Financial reports are showing mining expenses, LOC balance, etc.
 - 10/20 mtg ballot refined, approve questions, presenters, logistics volunteers confirmed
 - Alternative mining scenarios being developed
 - Title analysis? Complete thru 1950s.
 - Board agrees must push attys to have at least a confirmation of 51% ownership by 10/20 mtg

- 10/20/07
 - Special POA meeting
 - 3 parts to ballot question
 - Form LLC
 - Transfer POA mineral rights to LLC
 - Invite POA members to join LLC for \$1000
 - Atty confirms we have 51% ownership
 - Board agrees to form "LLC Operating Committee"
 - Attorney reminds POA members re: confidentiality importance
 - Vote: 80 for, 2 against, 3 abstentions

- 11/10/07
 - Attorneys want to talk re: title analysis (still not complete)
 - Inform Board that POA may own 100%
- 11/14/07
 - Board sets mtg w/attys re: costs, lack of timely response, other concerns
- 11/15/07
 - Title analysis complete
 - Attys recommend 2nd special POA meeting
 - Prior atty advice that POA couldn't prevent mining not valid if POA owns 100% of mineral rights
 - Special meeting planned
 - Date to avoid Holidays
 - Date late enough to finalize needed data, analysis

- 11/27/07
 - Board requests title opinion letter of attys
 - Board agrees to allow members to participate in special meeting via phone/computer
 - Attys object: confidentiality concerns
 - Board agrees to add supplement to 12/8/07 POA budget hearing re: mining/LOC issues
- 12/8/07
 - Attys confirm Board's authority to get LOC
 - Attys believe \$300k will be sufficient
 - LLC operations committee formed
 - Debate w/attys: they want no \$\$ details @ 1/19 POA mtg, Board insists they are needed
 - Board considers funding options, decide to ask membership at 1/19 meeting
 - Joe Price votes against increasing LOC to \$300k citing repayment concerns
 - 3rd attempt by outsider to become POA member

- 1/5/08
 - Nathan Stark & Tom Cook working on mining financial scenarios
 - LLC Oper Committee working on draft agreement
 - Newsletter article explains reason for proxies

- 1/16/08
 - Attorneys report legal/tax issues with LLC Oper Committee recommendations
 - Board agrees for atty to meet w/committee

- 1/19/08
 - Reviewed mining/no mining scenarios
 - Tom Pool offers personal opinion on \$\$ for each
 - Vote: 83 to mine, 4 to not mine, 1 abstain, 1 disqualified
 - Reviewed 5 scenarios for mining, surveyed members
 - Reviewed funding options, surveyed members
 - Motion: Approve add'l \$200k LOC; friendly amendments to clarify adding \$200k to a total of \$400k, and member approval of any LOC over \$400k.
 - Vote: 68 For, 0 Against, 2 Abstentions, 1 Disqualification

- 2/11/08
 - Attorneys drop bomb-shell: advise the POA sell, not contribute minerals to LLC, and get an appraisal (est: \$40-50k)

- 2/13/08
 - Joint Board/LLC oper committee reps meeting
 - Bank refuses to increase LOC above \$300k

- 3/8/08
 - Joint mtg w/LLC committee, Board, attorney to revise LLC operations agreement

- 3/12/08
 - Board decides to see POA member loans
 - Board agrees to get 2nd opinion on sell vs contribute

- 4/12/08
 - Attorneys want to survey POA members re: accredited investors
 - Attorneys advise Board not to post revised LLC operating agreement on POA website
 - \$85k in member loans received to date
 - Black Range exploration on Taylor Ranch suggests need for PR campaign; Tom Pool agrees LLC to lead this effort

- 5/3/08
 - Board rejects several member loans due to unacceptable stipulations
 - Appraiser hired
 - Member loans, mining/legal expenses posted on website
 - Attorney promises draft LLC docs on 4/30, renigs, delivers 5/3 after Board protest, Board postpones review
 - LLC membership fee revised to \$2500
 - Tax consequences of provisions of purchase/sale agreement discussed
 - Attorney requests that ratification of nominated LLC managers be held up until purchase/sale agreement can be included on ballot

- 5/6/08
 - Board reviews, w/attorneys:
 - Private placement memorandum
 - Subscription agreement
 - Organizational consent
 - Purchase/sale agreement
 - Attorneys indicate they are making more revisions to these docs, so final Board approval is delayed
 - 2nd opinion raises issues re: POA distribution of assets; attorney to explore
 - Board protests attorney's "initiative" to negotiate and sign agreement with appraiser without even telling the Board he was doing so

- 6/7/08
 - Approval of final LLC formation documents by Board

- 6/15/08
 - Results of Member mail in election
 - Ratify all 4 LLC manager candidates
 - Approve (80 for, 1 against, 1 abstain) purchase/sale agreement to convey POA minerals to LLC

Summary

- Raised \$400k to fund mining/LLC formation effort
- Worked with attorneys on unprecedented legal situation
 - Non profit HOA with large mineral asset
 - Endured attorneys' mistakes, learning-as-they-go, "attitude"
- Tried to keep POA members informed while attorneys constantly advised "silence"
- Completed all major steps required to
 - Form the LLC
 - Stipulate how LLC will operate (kudos to committee)
 - Get the Offering Memo ready
 - Stipulate conveyance of minerals to the LLC
 - Reduce tax and securities exposure

Why'd It Take So Long?

Problem area	Lost Time (weeks)
1. Raising money	4
2. Being volunteers	6
3. Democracy	4
4. Holidays	3
5. Attorney boo boos	6
6. Side issues	4
7. Ankle biters	4
Total extra time required	<hr/> 31 weeks

NOTE: some overlap of problem areas; total time required probably ~18 weeks