

South T-Bar Ranch
Board of Directors Minutes
June 16, 2007

I. CALL TO ORDER

The Board meeting was called to order at 9:05 am by President Ann Eulert. Directors present: Lucy Thurston, Betty Sue Cornella, Gary Hawley, and Jan Cressman. Absent: Mark Trotta (would joint meeting later. Others attending: Curtis Eulert, Dean Cornella

II. INTRODUCTIONS

III. POA MEMBER COMMENTS – No POA members comments.

IV. BOARD MINUTES

June 2nd minutes would be reviewed be reviewed and passed via email because of time constraints.

V. COMMITTEE REPORTS

A. Mineral Rights – G. Lack, J. Davis, M. Trotta, A. Eulert, E. Stassert

- Motion to review and approve Chip Delap's \$4,959.50 invoice for additional legal work was made by G. Hawley. J. Cressman seconded. Discussion followed.

Call for the question resulted in a unanimous vote to pass motion.

- G. Hawley brought forward that a special assessment will be needed (\$500 to \$5000 estimate) to pay legal costs to create a separate LLC to handle mineral rights. This should be proposed to POA as soon as possible. A special assessment, as established by KIOA, can not be more than 12% in one year, and payable in January. Reserve fund is currently \$45,034, less approved legal costs of \$4959.50.
- Status of taxes on Mineral Rights. Because of a new assessor, tax notices were sent out late and the questions A. Eulert had proposed to the tax assessor may not be answered until July.
- G. Peake sent two autocad maps to the STB POA for our information. CD is in the Subject Binder under maps.

B. Newsletter – J. Cressman

- A. Eulert to forward information for Notice of Intent Letter would be sent to Jan to include in newsletter.

C. BLM – A. Eulert

- Seven out of 10 exhibits have been received. Parcel 42 is in the mail; 84 will be received at Annual Meeting; and 92 is questionable. Still questions on the easement wording.

D. Annual Meeting-Pre-Meeting

- Co-chairs for the meeting are: G. Hawley, M. Trotta, A Eulert
- Co-chairs will work towards a meeting with Poole to prepare.
- Proposed schedule: presentation from 10:00 to noon, break for lunch from noon to 1:00, conference call with attorney from 1:00 to 2:00, open discussion from 2:00 to 3:00.
- The POA will not provide lunch for this meeting.

D. Finance Committee – BS Cornella

- May financials were presented. Attached.
- One parcel's (not STB parcel) POA maintenance fees are outstanding.
- Utility Refund still has four checks outstanding.

E. Road Committee – M. Trotta, G. Hawley

- Brief report.

F. Annual Meeting

- Address forum email regarding an agenda item on meeting policies rule of conduct, and mineral rights discussion.
- G. Lack should discuss with R. Walker whether the meeting can run longer to include a mineral rights discussion after meeting.

G. Grazing Lease – G. Lack

- Action: M. Trotta will research how the Grazing Lease should be recorded, with the County Clerk or with the Tax Assessor, or both, and report to the next Board meeting.

H. Web Site – J. Davis, C. Eulert

No report.

I. Security – G. Hawley

- New trash enclosure lock. Requires four digit code. Top Rail last four numbers of phone on sign.

J. Secretarial – L. Thurston

- No report

K. Covenants – G. Hawley

- No report

L. Fire – Gary Lack

- No report.

M. Legal/Infrastructure

- No Report

Meeting was recessed for an Executive Meeting Session

VI. OLD BUSINESS

A. None

VII. NEW BUSINESS

Because of time constraints at this meeting, it was decided to have another board meeting before the Annual Meeting. June 16th was scheduled and take place at the Cornella's home on the ranch. C. Delap will attend to follow up with his action items.

VIII. ADJOURNMENT

A call for adjournment was made by M. Trotta at 12:30pm, seconded by G. Hawley and unanimously approved.

South T-Bar Ranch Board of Directors

Ann Eulert, President

Gary Lack, Vice President

Betty Sue Cornella, Treasurer

Lucy Thurston, Secretary

Jack Davis

Jan Cressman

Mark Trotta

Gary Hawley

These minutes were prepared and submitted to the Board of Directors by Lucy Thurston, STB Secretary, on Saturday, June 16th, 2007.

**SOUTH T-BAR BOARD MEETING
EXECUTIVE SESSION
JUNE 16, 2007**

At 10:45am the POA attorney, Chip Delap joined the meeting which became an Executive Session. Board members were reminded that they were the only privileged members to read the Executive Meeting Minutes.

Title Issue: The abstract search for confirmation of 51% ownership by the POA is finding every piece of paper that would affect it. It is being done by Deister, Ward and Wicher and could take 2-4 weeks. After the search, the attorney reviews to make a legal statement regarding title review.

It was reviewed that at the June 2, 2007 board meeting, a motion to approve \$8-10,000 was made to pay for the mineral rights search. We do not have an estimate of that expense till after the abstract search is completed.

Limited Access Agreement:

A draft has been given to A. Eulert. It includes \$500 fee to come on the ranch and use our roads, and a cost for each drill hole made.

The affected surface owners can receive a copy of this agreement between the POA and Energy Metals from the attorney and be made an addendum to our surface agreement.

The POA has right to sign Access Agreement for use of the road because the road easement is by prescription.

POA As Is:

There will be double taxation on the mineral rights profits (going into POA and received by individual members).

POA cannot keep the money, has to be given to non-profit organizations.

A percentage of mineral rights be deeded to each POA member. Each deeded owner will be taxed, but POA continues to have responsibilities it currently has.

Change POA to LLC. Non-profit rules will not allow that to happen.

Create LLC:

Mineral Rights passed to the LLC.

Management Control of LLC: POA Board

Members: STB parcel owners (Developments 1, 2, 3, 4, 5 and 6)

Members join LLC by deeding roads to LLC.

Eliminates the current POA from paying taxes on any mineral revenue.

Board has authority to create LLC and pass 51% mineral rights to LLC.

Board does not have authority to force parcel owners to join LLC by deeded their road rights.

Operating Agreement for LLC to consider:

If you want to sell your mineral rights and parcel—LLC has first right of refusal.

Motion to contact loan sources for funding a line of credit based on potential future income of mining was made by ??. G. Hawley seconded. Discussion followed. A. Eulert and M. Trotta would be assigned to look for potential lenders. The motion passed unanimously.

Motion made by G. Lack that upon the availability of a line of credit, and contingent upon confirmation of 51% mineral rights ownership, the Board will proceed with creating the LLC. G. Hawley seconded. The motion passed unanimously.

The Executive Session of the meeting was ended and the regular Board Meeting resumed to complete Committee Reports and close.