

SUGARLOAF MOUNTAIN OWNERS' ASSOCIATION, INC.

MINUTES ANNUAL GENERAL MEETING SEPTEMBER 12, 2026

CALL TO ORDER

The Annual Meeting of the Sugarloaf Mountain Owners' Association, Inc. was called to order by President Larson at approximately 11:36 am at the Community Parcel.

Board Members present: John Larson, Aileen Law, David Sarricks
Absent: Antoine Ribaut

Seventy-one (71) landowners were either present or represented by valid proxies, which fell short of the quorum of 77. A new meeting date/time was announced, and a motion was made and seconded to adjourn the Annual Meeting. Motion carried unanimously. The meeting was adjourned at approximately 11:37 am.

SECOND CALL TO ORDER

A second meeting was called to order at approximately 11:38 am by Larson. Quorum was confirmed.

SECRETARY'S REPORT

After a reminder that all minutes were available on the SMOA website, Secretary Law read the minutes of the prior meeting held December 13, 2025. A motion was made and seconded to approve the December 13, 2025 minutes. Law then read the minutes of the Special Meeting held December 13, 2025 which concluded the Secretary's Report. A motion was made and seconded to approve the Secretary's Report. Motion carried unanimously.

TREASURER'S REPORT

Treasurer Sarricks began by stating all reports presented and supporting documents are posted to the website and proceeded to present three (3) separate reports: 1) the 2025 full Financial Statement; 2) a partial 2026 Financial Statement (January 1, 2026 through August 31, 2026); and 3) a current Treasurer's Report (January 1, 2026 through September 11, 2026). In sum, all bills have been paid, all receipts received to date have been deposited or forwarded to the incoming Treasurer. As of August 31, 2026, all accounts balance to the bank statements.

Sarricks presented a report on delinquencies and liens filed. On or about June 30, 2026, notice letters were sent to 73 owners who were delinquent for at least one year's annual assessment. On or about July 31, 2026, a second notice and notice of lien letters were sent to 33 owners who were delinquent for at least one year's annual assessment. On August 26th, fifteen liens were recorded (13 owners). One of the properties was sold at auction on August 27th so the association expects to receive payment on that lot in the future. Sarricks then reported that the current \$15,000 CD (APY 4.00%) matures on February 10, 2027. The Association earned \$304.50 interest for the last CD.

The Association retained Porch & Associates to prepare a Financial Compilation to comply with NM 47-26-19 which requires the report to be completed every three years. Sarricks stated the Association renewed the D&O liability policy and was able to lock in the premium for three years at \$1,068 per year. Recently, the Association received a quote from a broker (Elemental Risk Management) for D&O coverage and general liability insurance. Sarricks recommended that the incoming board consider the GL coverage offered at a premium of \$1,150.00 per year. A motion was made and seconded to approve the Treasurer's Report. Motion carried unanimously.

ROAD UPDATE

Sarricks stated that the road report is posted on the website and proceeded to describe the maintenance and repairs made to the subdivision rights-of-way. Costs were provided for each of the maintenance events. In summary, the following work was completed:

November 2025: graded Access road, Northern, Southern, Sugarloaf	\$4,500.00
February 2026: graded Access road, Southern, Badger, cattleguard to Northern/Sugarloaf Intersection, Sugarloaf to Raven Loop intersection	\$3,450.00
April 2026: graded Access Road	\$ 600.00
April 2026: replaced culverts (cost \$5,154.83 + labor \$1,700.00) on Northern and Bobcat	\$6,854.83
May 2026: knocked down washboards on Access road	\$1,050.00
June 2026: graded Access road, cattleguard to Northern/Sugarloaf Intersection, Southern to the community well	\$ 825.00
July 2026: graded Access road, cattleguard to Northern/Sugarloaf	\$1,800.00
August 2026 (before storm): graded Access Road to Y, Southern, Jackrabbit (partial payment by Elvin Krone), Deer Trail, Sugarloaf, Northern from the Y to upper intersection with Sugarloaf; added material to the steep slope on Beartrack	\$4,650.00
August 2026 (after storm): repaired storm damage on Beartrack and Northern	\$ 300.00
August 2026 (after storm): graded upper Northern, Piñon, Raven Loop, a damaged section of Sugarloaf, the emergency easement below the locked Wildwood Highlands gate (WH paid \$300.00 for grading above the locked gate); cleaned up storm damage to Northern/Sugarloaf Intersection	\$4,200.00

Sarricks stated that several culverts suffered damage from the recent storms, most notably, the new culverts on Bobcat (completely unearthed, such that Bobcat is impassable), the 48" culvert on Southern (south side severely undercut), culvert exposed on Piñon (needs material added), culvert on upper Northern (completely filled), and the partially exposed culvert on Beartrack (needs material added on the downhill side). A full assessment of all culverts was recommended.

Sarricks went over Austin McCormick's assessment of the steep section of Beartrack Trail. McCormick outlined a few options: 1) move the road to the right without infringing neighboring lots (cost unknown), 2) excavate/blast rock outcroppings and fill with new material (estimate of \$12,000 to \$15,000 or more depending on complexity); 3) continually pull existing material from side of road and grade as usual (ongoing cost \$150/hour); 4) install a geo-ground grid cellular system and fill with existing material which may reduce the amount of material washed downhill.

Sarricks reported that due to several factors, the Board tabled the purchase of the grader and bought a Road Boss for \$2000 so the Association can maintain the roads in between gradings. Larson graciously offered the use of his tractor to pull the Road Boss. Larson also offered to demonstrate how to operate the tractor to interested operators after the meeting.

Members expressed concern about an owner removing road material from Southern with an excavator for use on his private property. The matter is to be addressed by the incoming board.

A motion was made and seconded to approve the Road Report. Motion carried unanimously.

COMMITTEE REPORTS

WATER COMMITTEE

Virgil Wood suggested members read the posted minutes of previous meetings for more information. Wood confirmed the rate at the well is 5 gpm and operates as normal.

FIRE COMMITTEE

Wood stated that there was no federal tree cutting funds for members but that the conservation office in Datil may have a 50/50 match for approved owners. In short, owners are on their own as to cutting dead trees. Scott from Firewise is still available for slash pickup. Diane Campbell suggested writing letters to the commissioners who are looking into tree deaths to get possible federal funding. Wood reiterated that there is a state fire ban. Larson recommended the incoming board address the recent fire in Sugarloaf.

ROAD EASEMENT / LEASE COMMITTEE

Law read a summary prepared by the Committee of the state of the road easement lease and reported recent efforts in determining action steps on securing long-term access options, including the possible retention of an attorney. Sarricks reported that there will be a minimum of \$13,000 in 2033 in the easement fund if future boards continue to set aside \$1000/year. Law reported that there is no indication whether the sum will be enough. The Committee (Law and Sarricks) will update the members as more information becomes available. A motion was made and seconded to approve the Committee's Report. Motion carried unanimously. A copy of the Summary prepared by the Committee is attached.

REQUEST FOR ASSISTANCE WITH BALLOT COUNTING

Law asked for non-board and non-candidate members to serve on the Volunteer Committee to count ballots. Debra Laughlin, Ralph Strodtback and Aziz Brown were selected. Candidates were asked to stand and state their names.

COUNTING OF BALLOTS

Larson called a short recess for the counting of ballots. Treasurer Sarricks reviewed the list of ineligible owners with the Volunteer Committee, who was then provided with instructions on use of the tabulation form. During this time, Elizabeth Baker and John Larson began preparing burgers and brats.

CALL TO REASSEMBLE

Larson called to reassemble at 1:47 pm. Some members left after having lunch.

OLD BUSINESS

GRADER

Larson reported that the Board put the grader purchase matter on hold since Austin Mc Cormick had been available and doing a good job and because of the lack of potential grader operators. Larson stated that he could contact the seller in the future to check availability if necessary.

GATE VARIANCE / MOU

Larson reported that the owner who asked for the variance is no longer interested and has taken the gate down.

READING OF BALLOT RESULTS

The results for Board positions were recorded as follows:

- Roger Johnson– 90 votes
- Diane Campbell– 79 votes
- Freddie Wolf Fuentes– 74 votes
- Laura Nelson – 69 votes
- Michael Wimmer– 54 votes
- Sue Supinski - 53 votes

The first five individuals constitute the Board of Directors for the upcoming term.

NEW BUSINESS

DAVID CRAVENS

Larson acknowledged the recent passing of board member David Cravens and requested a moment of silence.

PROPOSED URANIUM MINE IN CATRON COUNTY (DATIL)

Law began by reminding members that this matter was mentioned in the recent newsletter posted on the SMOA website. Law then explained that NovaCore Exploration Inc. (a Canadian company) applied for a state permit seeking permission to drill up to 37 boreholes in an area about 15 miles northwest of Datil to explore for uranium. If state and federal officials approve the permit application, and NovaCore later confirms the existence of uranium deposits through exploratory drilling, the company has up to 850 active mining claims which cover an area like the size of Carlsbad – and will likely pursue a mine application. The project sits in GMU 13, next door to GMU 12, 15 and 16E. Opposers have voiced concerns that the exploration study and eventual mining activities will lead to threat to the water supply, clean air (dust, radioactive dust) our rural lifestyle (noise, truck traffic, light pollution), dark skies, hunting, property values, etc. Several members voiced their own concerns.

The organizer opposing the permit - ProtectCatronCo.org - has had meetings in Pie Town and Datil. Law reported the next meeting will be in Magdalena on October 3, 2026 at the Village Hall Meeting Room, 108 North Main (11 am). Law invited members to attend the meeting to learn more and to provide comments for or against uranium mine activities in Datil. Law also invited members to review the website www.protectcatronco.org.

TRANSFER OF ASSOCIATION DOCUMENTS / PROPERTY TO INCOMING BOARD

Larson recommended that the incoming board meet directly after the annual meeting to establish officer positions. Law interjected that this allows the outgoing board to effectively transfer documents, equipment and supplies to the appropriate person.

ADJOURNMENT OF ANNUAL MEETING

Larson made a motion to adjourn the Annual Meeting. Motion carried unanimously. The meeting was adjourned at approximately 2:07 pm.

Respectfully submitted,

Aileen Law
Secretary

CONSOLIDATED BOARD SUMMARY
NM STATE LAND OFFICE RIGHT OF WAY AND LONG-TERM ACCESS RISK

This document provides a unified explanation of the access road easements, the legal structure created in 1998, the risks SMOA now faces, and the actions required to protect long term access to the subdivision.

I. Structure of the Four-Mile Access Road

The access road between the subdivision and Greens Gap Road consists of two legally distinct segments.

The first two miles from the subdivision outward pass over New Mexico State Trust Land. SMOA uses this segment under a 35-year easement granted in 1998. This easement expires in 2033 and must be renewed through a formal application to the NM State Land Office. Renewal is not automatic. The State may require new terms, new conditions, and new compensation. This is the vulnerable section of the road.

The final two miles approaching Greens Gap Road cross private land. SMOA holds a perpetual easement recorded in Book 97, Page 661. This easement was acquired with a one-time payment and is permanent, non-revocable, and requires no future payments. This section is fully secure.

II. What the Recorded State Land Office Easement Says

The recorded Right of Way Easement No. 26632 states that the easement is granted for a term of 35 years and may be renewed only upon application to the State Land Office. Renewal is subject to whatever terms, conditions, and compensation the State requires. There is no automatic renewal and no grandfathering. The easement expires in 2033. The easement also contains compliance requirements. SMOA must comply with all laws and regulations, avoid damage to improvements or livestock, meet environmental and reclamation obligations, and avoid abandonment. Nonuse for more than one year is considered conclusive proof of abandonment. The State may cancel the easement for violations after providing 30-day notice. Maintaining compliance is essential to protect renewal.

III. The Role of the Original Developer

The easement identifies the grantee as Sugar Mountain LLC and Sugarloaf Subdivision Owners Association, Inc. This means the developer negotiated the easement, paid the \$12,800 fee to the State of New Mexico, and accepted a temporary 35-year easement rather than securing a perpetual easement, long term lease, or purchase.

SMOA inherited the obligations and the vulnerability created by that decision. The structure was created in 1998 and is not the result of any action by the current Board.

IV. Why This Matters

The State Trust Land segment has an expiration date and requires future payments. If the easement is not renewed or replaced, SMOA loses legal access across State Trust Land. The subdivision becomes legally landlocked even though the physical road still exists. Title insurers may refuse to insure new sales. Lenders may refuse mortgages. Emergency access becomes legally complicated.

The private perpetual easement on the last two miles of the road remains secure and is not affected.

V. What SMOA Must Do Going Forward

SMOA must obtain the complete Right of Way file from the State Land Office. This file contains the original 1998 application, valuation, fee basis, survey, and any correspondence. SMOA must confirm its status as successor grantee and update the mailing address if needed. SMOA must maintain full compliance with all easement terms. SMOA must also begin evaluating long-term access options, including renewal of the 35-year easement, negotiation of a long term, .e.g., 50-to 99-year, right-of-way lease, pursuing a perpetual easement if legally available, and exploration of the outright purchase of the corridor.

VI. Recommended Board Approach

SMOA should treat renewal as the minimum required action. However, the Board should, in parallel, pursue long-term options until the State clarifies what is legally available. The negotiation of a 50-to-99-year lease is likely the most realistic long-term solution because it provides stability without the complexity of a land purchase. The perpetual easement and purchase options should remain open until feasibility is confirmed.

SMOA should maintain compliance under the current lease, document all actions, and communicate progress to the membership at key milestones.

ROAD EASEMENT / LEASE COMMITTEE

Aileen Law

David Sarricks