

**LARKSPUR COMMUNITY ASSOCIATION
MEETING OF THE BOARD OF DIRECTORS
TUESDAY, MAY 21, 2019 5:30 PM MST
318 ELK AVENUE SUITE 24
CRESTED BUTTE COLORADO 81224**

Present:

Kim Dunn
Bob Pannier
Rewk Patten
Jeff Duke
Beth Appleton, Association Legal Counsel (by phone)
Rob Harper, Toad Property Management
Jim Ruthven, Toad Property Management

Rob called the meeting to order at 5:31 pm. Minutes of the April 23, 2019 meeting were approved via email prior to the meeting.

At 5:34 pm Jeff made a motion to go into Executive Session to discuss matters with legal counsel. Bob seconded the motion and it was unanimously approved.

At 6:26 pm Jeff made a motion to leave Executive Session. Kim seconded the motion and it was unanimously approved.

After discussion it was agreed Beth would write to Mike Howe's legal counsel explaining the reasons why the Board would not approve the mailing of the Rec Lot Ballot in the current form with the Annual Meeting documents. Beth explained the letter would include the Board's requirements to have a plat to review which clearly designated the location of lots and open space, address the voting rights and dues structure outlined in the Covenants and a water engineer to confirm adequate water at full build-out.

Beth left the meeting.

Rob said Bob had been working on the proposed 2020 Budget and Bob explained E lots were restricted to a 3% increase each year and S and R lots could be increased at any rate the Board deemed necessary. Bob said he had prepared a 2020 Budget based on the actual expenses incurred in recent years. Jeff said snow removal costs would continue to increase as more homes were built and the Budget needed to reflect the costs for the above average snowfall years and in the lower than average snowfall years the unused funds would be available for maintenance projects. Bob explained the proposed 2020 Budget expenses exceeded income by \$6,300 and proposed two possible options to address that. The first option would be a 3% dues increase for all lots with a special assessment of \$105 per lot and the second option was to increase dues for the E lots by 3% and the S lots would go from \$1,061 per lot to \$1,216, an increase of 15%. After discussion Bob agreed to update the draft 2020 Budget and distribute to the Board for approval and inclusion in the annual meeting mailing.

Mike Howe joined the meeting and asked if the Ballot to amend the Covenants to allow changes to the Rec Lot would be included in the annual meeting mailing. Jeff explained any Ballot to amend the Covenants needed to address all issues related to the subdividing of the Rec Lot and without a plat showing lot and open space placement or professional reports confirming adequate water it was premature to permanently amend the Covenants. Mike Howe said the County required approval from the Association prior to proceeding with any review process. Bob explained the Association's legal counsel would be sending a letter to Mike's attorney to address the amendments necessary to the Ballot and the requirement for a plat and a letter from a mutually acceptable water engineer confirming sufficient water at full build out with the addition of any new homes on the Rec Lot.

Mike said he would speak to his attorney and if it was necessary to go around the Board and present the amendment to the owners himself he would not sign the Cost Recovery Agreement prepared by his legal counsel. Jeff said a plat and supporting documents would make it easier for owners to decide if they agreed to an amendment of the Covenants to allow construction of eight homes instead of a large, up to 39,000 square foot, recreational facility. Bob said if the changes could be made to the Ballot in a timely fashion the Ballot could be mailed with the annual meeting package. Mike explained he had an issue with amending the Covenants prior to the plat being approved by the County and said he would speak to his legal counsel.

Jeff confirmed the Board needed the steps outlined in the discussion to be addressed prior to mailing the Ballot with the annual meeting documents and it was agreed the two attorneys would speak. Mike left the meeting.

Rob said the annual meeting was scheduled for July 8, 2019 and two Board members were up for re-election and there was one additional vacant board seat.

Jeff said the leak had been located and further investigation and repair would be done in the near future and the road would have to be cut and an asphalt patch added. Jeff explained the second leak required further investigation but was probably an underground valve that needed to be turned on and that would also involve cutting into the road. Jeff said the two repair projects would probably cost between \$10,000 to \$15,000. Jeff explained dye had been added to the lake and dye would be added to the upper pond soon.

The meeting adjourned at 7:45 pm.