

PROSPECT HOMESTEAD OWNERS' ASSOCIATION
BOARD MEETING MINUTES
WEDNESDAY, AUGUST 4, 2021 – 2:00 PM
VIA ZOOM

Present: Erica Mueller
Andrew Arell
Lance Windel
Rob Harper, Toad Property Management
Nick Sledge, Toad Property Management

Rob called the meeting to order at 2:04 pm and confirmed a quorum.

Andrew made a motion to approve the minutes of the May 28, 2021 meeting. Lance seconded the motion and it was unanimously approved.

Rob said there was approximately \$15,000 in the bank account and the purpose of the meeting was to discuss a possible amendment to the Declaration of Protective Covenants. Andrew explained he had prepared some questions and changes to run by Beth Appleton, legal counsel. Erica expressed concern about amending the governing documents for the association and putting the responsibility for exterior maintenance on owners in the future.

Lance said work on the new units was slowly moving forward but delays and difficulties in receiving materials continued to cause problems. Lance explained some construction problems had been encountered and the construction crew was getting accustomed to mountain building practices. A Civil Engineer would be overseeing the work in the future. Lance explained a revised schedule was being prepared but material delays made it difficult. Lance said when the next three slabs were poured there would be some ground work performed on the areas between the buildings but no direction had yet been given on the landscaping. Andrew suggested xeriscaping instead of lawn and Lance said he hoped the Town of Mt. Crested Butte would allow him to adjust the landscaping plan and not plant the large number of trees the Town had requested. Lance said there would not be an irrigation system behind the new units. Natural irrigation had made the existing landscaping look very good and Rob said landscaping expenses were under budget. Rob explained Toad had made the Spring time repairs to the landscaping system instead of contracting that work out.

Erica suggested an amendment to the governing documents might provide an opportunity to allocate expenses separately so owners not benefiting from a specific service would not pay for that. Rob explained it would be a question for legal counsel and it could be done although it would be a complicated process to divide up expenses. Rob cautioned all owners would need to support the decision and all owners would need to participate and personally put in the work to maintain their landscaping or exterior of the unit and if they didn't the entire neighborhood would suffer. Lance said the differing ages of the units would be the biggest problem and maintenance expenses, for something like a new roof, would be much higher than just the annual landscaping expense.

Erica suggested having a capital plan to demonstrate to owners the large expenses expected over the next 10 or 15 years. Although income would increase when the 22 units were completed the operating expenses would also increase. Low dues for a long time had not created a reserve and either special assessments or a significant dues increase would be necessary to prepare for the large maintenance projects. Some owners were not paying the dues or special assessments and approximately \$13,000 was delinquent.

Liens were in place on some units and it was probably time to place another lien as that owner was not keeping up with regular payments. After discussion Rob agreed to prepare a 10 year capital plan to help owners understand the future expenses and the need to plan for those expenses. It was also agreed Rob would contact Beth Appleton, legal counsel, and legal action would be taken against owners to recover delinquent dues and special assessments.

Rob confirmed the insurance policy was in accordance with the Declaration of Protective Covenants and Andrew suggested the Association's legal counsel review the insurance section and advise how that could be amended. Rob explained individual owners needed to insure the inside of the unit and personal property and in the case of damage the insurance companies would work together to determine which insurance company would pay for the damage or loss. Rob said all insurance companies should review the Covenants and Association governing documents prior to writing an insurance policy.

Rob said the exterior painting had been performed in phases and Rob said Complete Coverage would prepare an estimate for the next painting project. No exterior painting would be completed in 2021.

At 3:16 pm Erica made a motion to adjourn the meeting. Andrew seconded the motion and it was unanimously approved.

Prepared by Rob Harper, Toad Property Management