

MINUTES OF THE ANNUAL MEETING OF THE ALPINE MEADOWS PROPERTY OWNERS' ASSOCIATION

July 7, 2019

The annual meeting of the Alpine Meadows Homeowners' Association was held at 2:00 pm on Sunday, July 7th, 2019, at the Queen of all Saints Catholic Church in Crested Butte, CO. Present were Rick Barnard, Elizabeth and Don Smith, Bruce and Debbie Jenevein, Happy Fowler, Lotte Roache, Carla Rea, Ellen and Jim Martin, Jane and Jerry Clark, Honeydew Murray, Carol and Fred Fowler, Sidsel and Sam Robards, and Emily and John Bruno. Present by phone were Ruth Esserman and Amanda Rales. Present by proxy were the Harrisons and the Thorntons (proxy to Jim Martin), Diana Cashen (to Elizabeth Smith), and Jenny Talbot (to Jerry Clark).

The meeting was called to order by Jerry Clark, President, noting that proper notice was given and that a quorum was established. Introductions were made around the room. Jerry thanked the Board and others for all their hard work and help on HOA matters. Jerry welcomed all, especially new homeowners Amanda and Xan Rales and Lotte Roache who was attending her first Owner's meeting.

Water Report

Rick Barnard has agreed to take over responsibilities for monitoring and maintaining the Ridge water system (as Brad Tutor is no longer providing that service). Rick provided a report, noting that water levels are full, reflecting the heavy snow and rain over the last year, which also worked to reduce Spring water usage, and noting that the physical system is in very good shape, with no leaks. Rick noted he is in the process of having the water quality tested and will provide the test results in the near future when the testing is completed.

Rick reminded all homeowners that there is a green strobe light on the pump house. If you see the strobe light on, contact him and Jim.

Minutes

Jane Clark read the 2018 minutes. Bruce made a motion to approve, Carol seconded, and the minutes were unanimously approved.

Financial Report

Jerry then presented the 2018/19 Financial Report that had been provided in advance to all Members. Jerry reported that our Cash position at June 30, 2019 was \$27,262, which was \$2,444 lower than budgeted. Revenues were \$629 lower due to a rebate to Lake lot owners for not being required to pay for the reserve pump on the Ridge water system. Expenses were about \$1,800 higher, largely reflecting higher legal expenses (+\$3,400) required for the Renting Amendment, for resolving a dispute with the Shaw's (discussed further below), and for drafting

various governance documents the HOA requires under Colorado Common Interest Ownership Act (known as CCIAA) law. Verbonone expenses were also higher (+\$1,600), due to timing of receiving this year's bill, and expenses were also up nominally for various other categories, including Book-keeping to get current on tax filings and other filing requirements. Offsetting these increases were lower expenses for several categories, mainly weed control (-\$800) and HOA Signage (-\$450). Fence repair costs were lower by \$1,800 as the bill for 2019 was not received until July.

2018/19 Budget

Jerry then reviewed the Budget for 2019/2020, which forecasts net income of \$411, taking our Cash position to \$27,673 by June 30, 2020. Jerry cautioned that this forecast is predicated on a legal budget of \$3,500 for advice or work from our legal counsel. If there are any amendments to covenants or disputes to be resolved, this will likely be exceeded. However, such events are hard to predict, so the budget should be understood in this regard.

Assessments for the Ridge lot-owners will remain (sic) at \$1,100. The Lake lot Owners will see an increase, bringing their assessment to \$900/lot. This reflects the absence of the one-time rebate for last year's reserve pump cost, as well as a \$100/lot increase reflecting a reduction in the discount for ongoing Ridge water system costs, to reflect a more accurate estimate of these costs. (Note that these Assessments were later approved by a Member vote to their corrected levels of \$1,300 and \$900 for the Ridge and Lake lots, respectively, reflecting that the Ridge lot Assessments were \$1,300 in 2018/19.) Expenses forecast for the year are \$520 higher than the previous 2018/19 Fiscal Year, reflecting higher fence costs due to the timing of billings mentioned above and reflecting the heavy winter just experienced, which was billed in July 2019. Higher costs are also projected for several other areas, notably weed control and signage. Offsetting are lower Verbonone costs due to the timing of billings, reflecting only one bill. And, as noted above, legal costs are projected to be lower versus the prior year, but that assumes no special amendments or dispute resolutions.

Jerry reminded the Members that medium-term goal is to gradually return to a cash balance of approximately \$35,000.

Regarding fence costs, Sam asked that the wire laydown fence running along his lot be examined for possible additional repair. Fred also requested that the fence below his and the Harrison's lot at the wetlands be re-inspected for possible need for repair from erosion. Jerry also noted last year's request for a stile crossover to the wetlands be installed in the common area between the Fowler's and the Harrison's. Discussion centered on the possibility for a "kissing" gate as being perhaps the most cost effective. Jim Martin agreed to look into all these issues, including having Trapper Davidson make another inspection of the fence integrity at the locations noted above.

Sam asked the reasons for the higher legal fees in 2018/19. Jerry replied that the \$3,400 increase was split between the costs for the renting amendment (approximately \$1,500),

settling the dispute with the Shaw's (approximately \$1,500), and the remainder associated with drafting governance policies required by CCIOA law for the HOA. These required over 100 hours of Jerry's time, without which the legal charges would have been much higher.

Jerry noted the Board had already approved the Budget, and (keeping with the Bylaws and Covenants) asked if there was a motion to reject the Budget. No motion to reject was made and so the Budget remained as approved by the Board.

Use and Size

Jerry then began a discussion seeking input on whether the Use and Size limitations for second buildings should be relaxed. Jerry summarized the limits in the current covenants, regarding total combined size limits for buildings, with the size of the second building limited to 750 sq ft total. Any habitable space in such second building cannot exceed 750 sq ft, and shall be limited to two bedrooms, one bath, one-airlock entry, and no kitchen (although the HOA has allowed limited kitchen facilities of a sink, a fridge, and a countertop microwave.

Jerry noted that, as detailed separately to the HOA prior to the meeting, a development agreement was made regarding the Shaw's lot, to address a unique situation. Their current 1,314 sq ft building cannot be added onto, as it is within the setback requirements. This is a result of covenant changes after the structure had been built, and so it was a situation not of their doing which significantly limited their ability to increase square footage. The development agreement allows them to convert their current structure to "second building" status at such time as they or their successors build a new larger Family Residence on the lot. This allowance is subject to a number of conditions, including they cannot increase the size of this current structure, and when converted it must conform with all other requirements of a second building (including the limitations on the kitchen), and the lot is still subject to the same total square footage limits allowed for any lot in the HOA.

This issue with the Shaw's raised a broader issue for the HOA to consider. Some Board members thought that the 750 sq ft requirement, while appropriate with regard to habitable space, may be too restrictive as regards to total sq footage for a second building. Some lots in the HOA do not have a garage, or would like to add to garage/storage space, and would like to be able to build a combination garage/guest space of some larger amount, say 1,500 sq ft. Any such allowance would still need to be subject to meeting the objectives for buildings as described in the covenants to allow owners to maximize square footage as they desire while still maintaining the natural beauty of the area.

Input and comments from the Members at the meeting varied. Some felt that the neighborhood has many exceptions to the current covenants already; some felt that members should be able to do what they want on their lots, subject to only broad limits; some felt that the current limits in the covenants should be enforced and not given up; some felt that the Architectural Control Committee has unfairly applied standards in the past; some felt that the

Shaw's deal should be revisited; some felt that it would be good to provide more flexibility on the size of the "second building".

Jerry acknowledged the perception of some mistakes made by Architectural Control Committees over time. That said, this ACC is determined to get it right. Also, many of the perceived inconsistencies were, like the Shaw's issue, things that were allowed in previous versions of the Covenants, were installed then, and so were grandfathered in. (As an aside, Jerry noted that the Shaw's issue has been completed and recorded with the County.) Jerry said he would consult with our legal counsel to investigate these examples in the context of how our Covenants evolved and get back to Members. As that is done, the Board may also survey Members on the issue to determine support for a possible amendment of the Covenants.

Ruth Esserman Appeal for a Variance

As part of the above discussion, Ruth introduced a letter she had submitted shortly before the meeting in which she provided a background narrative for her proposal and request that the HOA grant a variance from the Use and Size limitations for her current home. Don Smith read her letter for the benefit of those present who had not seen the letter. In effect, Ruth's request is to treat her "architecture home" as an "accessory building" and allow her or a new owner the option to build new buildings in addition without treating the current structure as the main "Family residence". Ruth further explained the background and reasons for her request, noting that her home is architecturally significant, her lot is the last lot on the street, is the largest single lot in the neighborhood, and that the current building was deliberately sited at the far edge of build-able land on her lot.

After some discussion to clarify the request, Jerry noted that the likely process for this request is for the Board/ACC to hear the request formally, and request information to define exactly what is being requested. The Board may then vote on the request, after which the proposal would likely be presented to the HOA Members for approval per the Covenants (reference Section 5F). Jerry wanted to confirm this understanding with legal counsel and assured all that the proposal would be given a full and fair hearing.

Renter Policy

Jerry then reviewed the Amendment to the Covenants that was passed earlier in the year, as well as the Renting Rules and Regulations the Board issued in May. Jerry described the process that anyone who rents must follow, including Registration, providing signed release of liability waivers in advance, providing renters the "Notice to Occupant" document, filling out a year-end reporting form, and paying a fee with their Assessment the following year of \$50/rental to cover the costs of monitoring and administering the program.

Sidse asked about the parking rules for renter's cars, mentioning it is difficult for some Owners who also leave their own cars on the lot and have limited garage space. Amanda also had some concerns about the parking restrictions. Jerry said the Board will re-examine that issue.

Jerry confirmed, in answer to a question, that no renter dogs are allowed per the Amendment.

A question was also asked to clarify if waivers are required for Family members who occupy the property without the Member present. Jerry agreed that the risk of a claim by a family member against an owner and the HOA is likely less than that of a non-family member using the property. Amanda also noted that not all Lake use abuse was caused by renters, as there are many examples of the general public using the lake in disregard to the signage the HOA has installed.

Recycling

Honeydew then reported that if you have heavy trash, contact Carolyn at Golden Eagle at (970) 901-7102 to schedule pick up.

She reminded everyone of the trash pick-up and recycling days and reminded Members they can call Carolyn if recycle containers are needed. They will drop off. Also, Members can find information regarding Recycle pick-up days on the Gunnison County recycle website.

Weed Control Report

Happy then reported on the Weed Control program for this summer. It would basically be the same as last year, and will include spot-spraying using approved herbicides, and using the same licensed vendors as last year.

We are currently expecting the spraying to occur anywhere from late July to mid-August. Once the exact dates are known, Happy will inform the neighborhood. All were cautioned to avoid letting children or pets in yard after spraying.

Pine Bark Beetles

John Bruno reported we are a heavy lodgepole pine neighborhood. We have had some pine bark beetles in the past, and one tree in the neighborhood was found to be infected. This was on Bill and Carla Rea's lot, on a tree that had already suffered porcupine damage. Bill and Carla have already removed the tree from their lot, keeping with the past practice of the HOA. Everyone thanked Bill and Carla for being pro-active in addressing the tree removal so promptly.

John noted we continue to employ our only proactive defense which is applying verbenone packets. 230 packets and 70 bubble pouches were applied this year. The neighborhood is covered, thanks to John, Emily, Jim and Jerry who walked the neighborhood in late June and applied the packets.

Sam Pankranz, from the U.S. Forest Service, will visit the fall to check for infestation.

Sam Robards asked whether the Land Trust would allow an adjoining member to cut down an infested tree on Land Trust property if one existed, especially near the lot line. Jerry replied that he could not say for certain, and that it might be a case-by-case matter, but that he thought the Land Trust would very likely give serious consideration to such a request.

Kikel Property (also see attached map)

Jerry referenced the pre-meeting material and the several all-Member emails that had been provided on this potential sale of the Kikel property from the Land Trust to the Town of Crested Butte. Jerry noted that, as a Board Member of the Land Trust and the HOA, he has recused himself from any decision making, but has acted as an information conduit between the two. Jerry also noted that the Board has had two meetings with Land Trust Executive Director Noel Durant, and the results of each of these meetings was reported directly to all Members. The report for the last such meeting on June 12 with Noel reported that the Conservation Easement being drafted was to include a number of items, including the location of the ½ acre building envelope, the size of the cabin, the total square footage allowed for all buildings, temporary camping rights allowed for volunteers involved in conservation activities, and limited trash receptacles, to name a few, and that this was to be discussed at the open July 2 Town Council meeting. However, just prior to the Town Council meeting, the Town issued a draft CE that included little of the details noted above, but noted that such details would be handled through a separate “land management plan” drafted by the Land Trust and the Town and updated every 5 years. Jerry collected information from Board Members and all HOA Members who wanted to weigh in regarding this change and spoke for 20 minutes at the Town Council meeting listing the concerns regarding this change as well as suggestions for improvement. Honeydew Murray also spoke at the Town Council, requesting they go slow with any development plans.

As a result, the Town Council deferred their vote on the CE and sought more information. Jerry and the Board noted that the Town Council will meet again on this issue and that when a new CE is available, it will be provided to the Members. Jerry again urged all Members who are so interested to weigh in and attend and use their right to speak at Town Council meetings to express their views.

Sam noted Jerry’s conflict status and asked how it was being managed. Jerry noted he was recusing himself as much as possible and his goal was to provide fair and objective information to allow fact-based responses. Carla and Honeydew said it has been very helpful to have Jerry’s input in the process, especially with regard to reporting and explaining the content of the draft CE.

Board Nominations

Jerry noted that all Board Members were willing to serve again, except for Happy, who is the process of preparing their home for sale. Jerry asked for other nominations to the Board. Happy nominated Sidsel Robards, and Elizabeth seconded. No other Members volunteered for the Board or were nominated. Being as there were then 7 nominees for 7 positions, the Members agreed to a voice vote on the approval of the slate. A motion was then so made, seconded, and unanimously approved. As a result, the Board for the coming year will include, Jerry, Jim, Elizabeth, John, Rick, Honeydew, and Sidsel.

Other Business

The Members discussed the state of the signage at the lake, and the need for the sign by the dry hydrant to be repaired. Rick said he would attend to that and cut down any signs irreparably bent out of shape by the winter.

As there was no further business, several Members made a motion to adjourn, several others seconded, and all approved.

The meeting was adjourned at approximately 4:40pm.

Respectfully submitted,

Jane Clark

KIKEL MAP

