

WILDHORSE AT PROSPECT ASSOCIATION, INC.
BOARD OF DIRECTORS MEETING
MINUTES FROM APRIL 22, 2017
TOAD PROPERTY MANAGEMENT OFFICE
318 ELK AVENUE, SUITE 24, CRESTED BUTTE

Present: Chris Cappy
Erin, Toad Property Management, Inc.
Marcus Lock, Legal Counsel for the Association

On Phone: Bob Erbrick
John Low
Terry Ewing
Alex Inman
Joey Chiaf
Reiner Kraus
Matt Boisen
Grant Bennett, Wildhorse Homes
Jeff Hermanson, Wildhorse Homes

Chris Cappy opened the meeting at 9 am and Marcus Lock explained the meeting was to discuss short term rentals and was a follow up to the March 11, 2017 meeting. Marcus explained the discussion and potential adoption of rules and regulations would be on the two documents circulated prior to the meeting. Marcus said the rules and regulations were similar to earlier drafts however the current documents defined a short term rental as a rental of less than 6 months. Marcus explained the first document set out rules and regulations for rentals up to the end of the 2018/19 ski season and the second set of rules and regulations prohibited rentals of less than six months from the end of the 2018/19 ski season and onwards.

Marcus said during the March 11, 2017 meeting there had been an extensive comment period and suggested owners limit their comments to the modification of the definition of short term rentals.

Chris Cappy said since the March 11, 2017 meeting a group of four owners had submitted a letter to the Board setting out guidelines for a managed rental program within Wildhorse as those owners felt more owners within Wildhorse supported the continuance of short term rentals.

Chris invited comment from non-Board members first. John Low spoke first and said many owners within Wildhorse had worked hard to solve problems and form a sense of community and a current example was the exterior staining project which would cost owners considerably more if the board were not as active in securing contractors and assisting with the scheduling.

Grant Bennett said owners had a desire to have a strong sense community and explained the rationale behind the letter sent out by the four owners. Grant explained if the Board allowed short term rentals with supplemental rules and regulations the real estate market would be

receptive and the sense of community would be upheld. Grant stressed the supplemental rules and regulations would respect the desire for a neighborhood of owners and not investors.

Alex Inman said short term rental discussions were going on throughout the valley as well as around the country and listed some communities. Alex said he left the March meeting with the opinion owners were split 50/50 on the short term rental issue and he said he was unhappy with a five person board making the decision and felt an amendment to the Covenants which would require 67% of owners giving their approval would better represent the opinion of owners in favor of short term rentals. Alex said he did not think the Board had provided facts to support the Board's position that short term rentals would increase insurance rates or that short term renters had caused problems within the community. Alex asked if the Board considered the plan included in their April 4, 2017 letter and Chris Cappy said it had been reviewed and the Board would respond after the initial discussion period.

Jeff Hermanson said there was nothing in the April 4, 2017 proposal that would compromise the sense of community within Wildhorse and confirmed Wildhorse Homes was thrilled to be part of such a community.

Terry Ewing said the April 4, 2017 letter was very well written and Wildhorse had not seen an onslaught of short term rentals. Terry explained the insurance company had told him the Wildhorse premiums would increase by \$10,000 per year if ten or more homes were short term rented and said overseeing short term rentals would be difficult and Wildhorse might need a full-time person to monitor those rentals. Matt Boisen agreed consistently enforcing rules with short term renters was difficult and said the Board had been involved in many topics over the years, including trail relocation, in an attempt to maintain owner's enjoyment of a family environment.

Chris Cappy said the Board was trying to represent all opinions and preserve property values and would be happy to share data at the annual meeting and encouraged owners to attend both the social event and the meeting so they could share experiences with other owners. Chris said there were presently five homes short term renting within Wildhorse and at least twenty owners had said they were opposed to short term rentals and six were undetermined. Chris listed several comments from property managers outlining some of the issues encountered with renters and some of the problems associated with policing rules and regulations. Chris said policing of the regulations would be crucial and questioned if that would fit with the peace and quiet of the community.

Marcus Lock confirmed the association documents supported the Executive Board establishing leasing regulations and said changing the definition in the current rules discussion of a short term rental from 30 days to 6 months was for consistency with the association governing documents. Marcus reminded owners that a board decision could be overturned by a future board and the association would be retaining flexibility to evaluate what is important for the community.

Alex Inman said he was not happy with the Board taking control of a fundamental right of property ownership and said 67% approval of a Covenant amendment would be a clear indication that owners wanted to prohibit short term rentals. Alex said in his opinion owners wanting well managed short term rentals were not being represented by the Board and Alex

questioned why the Board had been silent for 10 years when rentals had been happening. Alex said enforcing the proposed rules would be as difficult as enforcing a well managed short term rental program and only in the future would the impact on property values be known.

Terry Ewing said the Board had never intended to allow short term rentals but the Board had been trying to deal with multiple issues left by the Developer and short term rentals had been put on the back burner.

Chris Cappy said everybody participating in the meeting had spoken and asked for a motion from the Board.

Terry Ewing made a motion to adopt the proposed Rules and Regulations Regarding Interim Short Term Rentals. Joey Chiaf seconded the motion and it was unanimously approved.

Matt Boisen made a motion to adopt Rules and Regulations for All Rentals prohibiting short term rentals after the end of the 2018/19 ski season. Joey Chiaf seconded the motion and it was unanimously approved.

Marcus Lock said as the Rules and Regulations had been approved by the Board the documents would be signed, loaded on the Toad website and emailed to all owners.

Chris said the Board's decision was a value based decision and agreed with Alex that only the future would show the value of the decision. Chris said the Board would be working with Crested Butte Productions on a project planned to help owners and realtors understand the Wildhorse community. Grant Bennett said Wildhorse Homes had put together a detailed marketing booklet for the new homes and Chris confirmed the booklet had already been given to the production company along with other materials for research.

Matt Boisen said notices regarding exterior staining had been sent out to owners and work had started on the schedules. Matt asked owners to limit the amount of black out dates requested on the schedule so the contractor could work quickly and efficiently. Chris Cappy thanked Matt for securing the contractor and Matt's work on the project.

Chris Cappy thanked everyone for participating in the meeting and the meeting adjourned.

Prepared by Rob Harper
Toad Property Management, Inc.

Approved by Chris Cappy
President of Wildhorse at Prospect Association, Inc.