

Larkspur, Inc.

December 11, 2013

Minutes – Board Meeting

A meeting of the directors of Larkspur, Inc. was held on December 11, 2013 commencing at 9:18 a.m., at 801 Swink Avenue, Rocky Ford, CO 81067 with the following directors present: Leroy Mauch, Lynden Gill, Reeves Brown and Jim Valliant . Also in attendance were Jay Winner, Bill Hancock, Bart Mendenhall, Jack Goble, Peter Nichols and Brenda Fillmore.

Director Gill made mention of the Directors and those present at the meeting.

Director Mauch moved to approve the minutes of December 12, 2012 as submitted. Director Brown seconded the motion and the motion was unanimously carried.

The Directors reviewed the financial statements for the period ended September 30, 2013. Although for the fiscal year ended, September 30, 2013, there was adequate income from assessments to cover the expenses for the year, there will be some changes for the next water year. Legal fees for the change of use case for the ditch shares is expected to increase for the next year. Also, G. W. Werdel will not be maintaining the ditch in the future. He has offered his equipment for sale and has recommended his subcontractors to continue the maintenance for the ditch. The proposed budget recommends an assessment of \$3.50 per share for 2014. Also recommended was to set the minimum assessment at \$3.50 per share for those shareholders owning less than a full share of Larkspur, Inc.

G. W. Werdel also has miscellaneous items that he would like to exchange for 15 shares of Larkspur, Inc. These items are roughly equal to the market price of the 15 shares. After discussion, Director Brown made a motion to exchange the shares for the miscellaneous items with a caveat that Mr. Werdel will offer free consultations for a year regarding the maintenance of the ditch and equipment and added that Lower Arkansas Valley Water Conservancy District will have the first right of refusal to purchase the shares at market value. Director Valliant seconded the motion.

Director Mauch moved to accept the proposed budget and the minimum assessment of \$3.50 per share or fraction thereof, along with a contingency assessment of \$0.50 per share to be presented at the annual meeting. Director Brown seconded the motion which was unanimously accepted

With no further business to address, Director Mauch made a motion to adjourn the meeting. Director Valliant seconded the motion and all were in agreement.



President



Secretary