

# Larkspur, Inc.

June 21, 2017

## Minutes – Annual Meeting

A meeting of the stockholders of Larkspur, Inc. was held on June 21, 2017 commencing at 9:34 a.m., at 113 1<sup>st</sup> Street, McClave, CO 81057. The meeting was called to order by President Lynden Gill.

President Gill stated that nominations would now be in order for the election of temporary officers. Bart Mendenhall was nominated as temporary Chairman by Leroy Mauch, seconded by Mike Weber. All shareholders present accepted the election.

Chairman Mendenhall asked the stockholders and visitors present to introduce themselves.

Chairman Mendenhall stated that a Credentials Committee should be appointed at this time. Mike Weber, Carla Quezada and Brenda Fillmore were appointed to the Credentials Committee.

The Committee recorded stock present in person and by proxy. There was a quorum present with 17,125.727 shares represented at this meeting. Leroy Mauch moved that the report be accepted, and Jim Valliant seconded the motion and it was accepted by all present. The report of shares is attached to the minutes.

Lynden Gill was nominated as permanent Chairman of the meeting by Leroy Mauch, seconded by Mike Weber. All were in favor.

Chairman Gill asked if everyone had read the minutes of the shareholder's meeting of December 9, 2015 and if there were any questions. Hearing none, Carla Quezada moved that the minutes be approved as presented. Leroy Mauch seconded the motion. The motion was passed unanimously.

The existing directors were named (Leroy Mauch, Lynden Gill, Reeves Brown, Willard Behm and David Donnell). Nominations to the Board for the coming year were opened. Carla Quezada made a motion to nominate Lynden Gill, Leroy Mauch, Jim Valliant, Anthony Nunez and Reeves Brown and that the nominations be closed at this time. Mike Weber seconded the motion. After a majority vote of the shareholders present. the board of directors consisting of Lynden Gill, Leroy Mauch, Jim Valliant, Anthony Nunez and Reeves Brown were elected.

Chairman Gill asked if all present had read the proposed bylaw changes. Carla Quezada made a motion to accept the proposed bylaw changes and Mike Weber seconded the motion. Willard Behm made a motion to amend the motion to propose the bylaw changes seriatim, seconded by

David Donnell. This motion failed. The original motion passed with a majority vote. The changes were discussed in detail.

The current year financial statements were presented and the proposed budget and assessments for the upcoming year were discussed. Dwight Proctor questioned why the equipment purchases on the balance sheet were so high. The difference between the balance sheet and income statement were explained. The balance sheet shows a cumulative total of assets; it does not mean that the amounts were all purchased in that fiscal year.

Leroy Mauch made a motion to accept the financial statements as presented. Anthony Nunez seconded the motion which was unanimously passed. The proposed assessments for 2017 were proposed to be \$0.00 as there are sufficient reserves to cover expenses for the year. David Donnell made the motion to accept the \$0.00 assessment for 2017 and Leroy Mauch seconded the motion with an addendum that a special meeting could be called in case an additional assessment was necessary. The motion passed.

Chairman Gill stated that the audit committee met on May 17, 2017 to review the finances. Chairman Gill discussed the findings from that meeting. Leroy Mauch made a motion to accept the findings of the audit committee and Anthony Nunez seconded the motion. The motion passed.

Willard Behm had other issues which he brought up. Some shareholders have not timely paid assessments and he felt that they should be assessed interest. The bylaw changes now address this issue. Willard Behm also presented a poster showing Larkspur expenses over the past few years. He stated that the expenses had increased significantly over this period. It was again explained that in the past, LAVWCD had paid most of the Larkspur expenses and they were not passed through to the other shareholders.

After numerous other discussions with no action being taken, Anthony Nunez made a motion to adjourn the annual meeting. The motion was seconded by Leroy Mauch and was passed unanimously.

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President

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Secretary