

14 September 2011

Fellow Beaver Lakes Members

We are writing this letter out of concern about the process that has been occurring regarding the Amendment of our Covenants (also called Declarations), and the conflicts and divisions that are already arising in our community over this issue. Conflicts which threaten to destroy the peace we all enjoy here. We were concerned enough to file a petition with Lake County District court, where the covenants were presented for judicial approval, asking that court to deny the petition for approval. Concerned enough to attend the hearing which occurred in Leadville on August 12th and to give testimony. As of this writing, the judge's decision is still pending.

The community of Beaver Lakes Estates has existed for over 50 years. Over that span, property values have continued to increase, in spite of current mildly-restrictive covenants. Those increasing property values have reflected the general trends of local, state and national economies, the occasional ups and downs of prices reflecting similar trends in communities statewide and nationwide.

We have been a part of this community for 18 years and have experienced a definite increase in the value of our property, which, as far as we can tell, had nothing at all to do with "protective" covenants or the lack of them. A lot of the increase in value is because more and more people desire to have a second home where they can get away from the stress and noise of urban environments with all of their congestions and restrictions. We feel that the refilling of our lakes, resulting from an agreement with the Moyer family, had more to do with recent increases in value than anything else.

We originally bought into Beaver Lakes Estates because its covenants were minimally restrictive. We have talked to other members who made a decision to purchase here for the same reason. We have expressly avoided covenanted properties in the urban environment and have seen our real estate purchases there hold their value where many covenanted communities in the same city have not. As the saying goes in the Real Estate Game it is all about Location! Location! Location!

In our minds, the reason for the existence of Empire Lodge Homeowner's Association is to provide access and security. Access in the form of maintaining our network of roads and upkeep on the cabins and campgrounds used by those members who do not yet have houses on their lots. Fulfilling our responsibilities in the recent water agreement which allows our beautiful lakes and in following the dictates of the court orders which require us to maintain the two sets of gates on our roads. Security in the form of a resident manager, employed by ELHA, who routinely makes the rounds and reports anything out the ordinary back to the board. Security in the form of banning discharge of firearms within the bounds of Beaver Lakes Estates and limiting open fires when fire danger is high. Beyond these concerns and a few others we haven't named here, we feel that individual property owners should retain the right to use and enjoy the properties they purchases and pay property taxes on in the way that they individually see fit.

In the 18 years we have lived at Beaver Lakes, we have also seen many problems and unnecessary expense for ourselves and the community resulting from several Board Executives who saw fit to push personal agendas over the good of the community. This has occurred in a context of those Boards with limited powers and at least some limits on spending. We hate to think what those Boards would be able to do with this set of Covenants!

Proponents of the Amended Covenants, which are currently before Lake County District Court for approval or disapproval, talk about the "protection" these Covenants will provide for Beaver Lakes and its individual members.

Protection from what, exactly?

Having carefully read and studied those proposed Amendments, along with CCOIA statutes they purport to be in compliance with, we are convinced that what individual members of Beaver Lakes Estates need protection from is the Amended Covenants drafted by the law firm of Hindman-Sanchez at the behest of the current Board President. In essence those Covenants strip away just about every aspect of private property rights and grant them to the Board. In our minds these covenants abridge many personal rights as well. The only "rights" left to Members if these Covenants are allowed to take effect will be to pay property taxes and whatever assessments the Board sees fit to levy.

There are no provisions in the Amended Covenants setting limits on that Board, or delineating its responsibilities to the members who elected it. No penalties for malfeasance. No formal requirement for making a yearly budget and adhering to it. There is no mechanism in the Covenants allowing members to call for removal of Board Members if they become unsatisfied with the job they are doing.

What it comes down to in the end, is how many of your personal rights and rights in property each of you is willing to hand over to a volunteer, elected Board of Directors, who often have little or no particular skill or experience at governance, in exchange for the dubious protections touted for these Amended Covenants.

Instead of focusing on what our neighbors are or are not doing on their own properties, we might be better served to come together as a community to address outside threats such as fire danger. It would increase the value of the community as a whole, if preventive measures were in place in the event of forest fires. For one thing, there is a lot of slash left over from the original platting and cutting of roads. There is also a lot of standing dead timber on lots throughout our acreage. A cooperative venture to clear away this fuel and make the whole place safer and therefore also more valuable would also be a great way to enhance our sense of community and mutual respect and support.

We also wonder how many people who "consented" to the proposed Amended Covenants have actually read them and actually understand the implications of what is written in the pages of that very long document. Many of the people we have spoken to personally over the past month or so, have admitted to not reading them at all. While we understand this on some level - we too would like to just ignore what goes on at Board Meetings and get on with just enjoying the peace and the beauty of our little community, we feel that this is one time when it is important for everyone to get involved. We encourage each of you to at least read the Hindman-Sanchez document (you will find it on the Beaver Lakes Website at [beaverlakes.org](http://beaverlakes.org)) and try to understand the substance of it before we go any further with this process. And while you're at please read the edited version we have compiled and which you can find at [hereishome.com](http://hereishome.com)

In our edit, we have undertaken to expunge from the Amended Covenants all language we feel would threaten or be detrimental to individual members and the Community as a whole. We feel, that the edited version we are presenting to you, the Membership, would accomplish the goals we have outlined above in this letter, while preserving individual rights and rights in property. We have also added sections to the Covenants spelling out meetings, voting procedures, removal of

Board Members, spending limits etc. that we feel would benefit individual members and ensure the financial and social health of the Community as a whole. Some of these items exist in the Bylaws, but we felt it would be safer to have them in the Covenants as well, since Board Members have the power to change Bylaws without the approval of Members.

What we are after is minimal restrictive covenants that meet the needs of the Community, without unduly restricting personal freedoms, especially private property rights. Like the founders of our national government, we feel that a system of checks and balances is important in maintaining a state of cooperation and equal partnership between the Membership and the Boards of Executives it elects to facilitate the smooth running of the community for the benefit of all.

According to CCOIA (the Colorado Statutes which govern Homeowner's Associations), what is required to amend Covenants is an approval of at least 50% of the total vote of the association. Once that is accomplished, the final step is to record the amended covenants with Lake County. Based on this, we are initiating a member-generated amendment process. We are asking all members of the Community to participate in this process.

We are presenting our edited version of the Amended Covenants to you, the Members of the Beaver Lakes Estates community. You will find it on [hereishome.com](http://hereishome.com). We invite you to read this document and comment on it. Print copies if you want and share them with friends. If there are elements you have questions about, please contact us. If you would like to see additions or deletions to this document, please contact us.

Sincerely

Jeff Anderson  
Margaret Sjoden