

Cerise Ranch Property Owners Association

RECORD OF PROCEEDINGS

Wednesday, February 4, 2009, 7:00 P.M.

Clubhouse, 0157 Cerise Ranch Road
Carbondale, Colorado

MEETING OF DIRECTORS

A meeting of the Directors of The Cerise Ranch Property Owners Association (the "Association") of Garfield County, Colorado was held on February 4, 2009, with the following persons present and acting:

- Eric Schmela, Association President
- Ted Borchelt, Vice President, was unable to attend.
- April Calabro, Treasurer
- Farrah Roberts, Secretary
- Charles Capobianco Director
- Keith Edquist, Association Manager

Brenda Broxton, retiring Board Treasurer, joined the meeting at approximately 8 pm.

Meeting topics: Clubhouse Amenities Policy (Pool Rules document), Insurance requirements per consultant and agency, Collections Policy review, Water Rights, Real Estate Transfer Assessment, Drainage Study, Upper Ditch maintenance, DRB and new appointees.

Owner's Open Forum

There were no comments from the owners/directors present.

Consideration

The minutes of the meeting of January 14, 2009 were reviewed. Director Calabro requested a change in regard to the discussion regarding the Upper Ditch and its maintenance. With discussion that Mr. Edquist is to make the requested revisions, the minutes were then unanimously approved.

Included in materials for the Board at this meeting were a Resolution regarding procedures for enacting a Real Estate Transfer Assessment, and a Notice of Levy of Real Estate Transfer Assessment.

Management Report

Keith asked if all the signers had completed paperwork with American National Bank. Signers on the Association accounts are now April Calabro, Eric Schmela, and Manager Edquist. Keith said the Garfield County had reimbursed CRPOA for \$987 (of a maximum \$1000) for 2008 weed control efforts on the property. He said there had been a \$117 increase in the annual premium for insurance due to a

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re-rating and accounting for the POA roadways. He said he had repaired all of the entry lighting with the exception of two halogen spotlights on the west side, which will be repaired as soon as new bulbs are purchased.

Included in the Board materials was an email from the insurance agency's risk management consultant. Keith stated that all the provisions of the final version of this report from the insurer had been met with the exception of modifications necessary to the playground in the area of the swing set, which will be attended to early in the spring. He said he had spoken with the agency, and that it was not going to be necessary to create and implement a rental agreement for use of the Clubhouse, since it is not reserved for use by other than Cerise Owners. Included in the materials was the Pool Rules document from 2007, which is as close to an agreement for terms of use of the Clubhouse and pool by owners as presently exists. The Board was asked to review this document in regard to pool and clubhouse use.

Financial Report

The Board reviewed the financial reports as of December 31, 2008. There was a net transfer of \$6710.72 from surplus operations funds for 2008 transferred (by Board Direction from January's meeting) to the CRPOA capital reserve account. This figure was net of the \$13,120.70 in accounts receivable, meaning the operations budget was \$19,831.42 to the good in fiscal 2008. The large receivable figure is related to a foreclosure and to non-payment of assessments on 4 other Cerise lots. Management was directed to provide a listing of the Association checks written each month, along with the aging statements previously requested with the financial reports.

Management was also directed to make sure the exterior gate to the pool was lockable and kept locked at all times, as it is possible to access the pool and Clubhouse in this way, without a Clubhouse key. It was also directed that the Clubhouse hours be changed to open at 6 am instead of the present 7 am. There was also comment that Waste Management is not regular in regard to pickup of recycling materials. Schmela said there were also some bills sent for additional trash pickups direct to owners. Manager Edquist said he would contact the vendor in regard to both these items.

Included in the Board materials was the Collections Policy adopted in March of 2008. This document was part of the Responsible Governance Policies CRPOA adopted in response to Colorado legislation. Management sought direction in regard to collections this year given the present economic climate and last year's assessment collection difficulties. The end result of discussion was a direction to management to send a reminder email to Cerise owners that assessments are due within 30 days of the billing date, and are considered past due and delinquent and subject to interest and late fees after 30 days. The Collections Policy was to be sent as an attachment to this general email.

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Financial Report

Manager Edquist asked what action should be taken in regards to those 4 lots already liened in 2008. Discussion and a review of available actions the Board might take from the covenants resulted in a motion, seconded and carried without dissent, to accelerate the assessments due for each of these properties for all of 2009, and file further liens upon them. The properties are lots 66, 39, 57, and 33. Manager Edquist believed the foreclosed lot 2 would be paying assessments quarterly, now that the property is owned by the mortgagor. He said he had a contact with Countrywide Loans, and would be in touch with them regarding payment of current assessments for lot 2.

The Board then briefly discussed the automatic payment options presented by accountant Kim Poukish. It was determined to make no decision in this regard until further owner responses to the question could be determined, perhaps via a survey such as was suggested in January's meeting by Vice-President Borchelt. Automatic deposit would cost the POA \$25 per month and an eight cent per transaction fee. All owners would need to establish such a payment with their banks, with the Association's bank receiving the funds and crediting them directly to the operations account.

New Business

It was determined the Board had not received pdf files of the association's contracts for services with vendors for snow removal, landscaping and internet cable service. Manager Edquist is to email these to the Directors after the meeting, since they have been digitized from the original hard copies. There was a question regarding management fees for filing of liens, with Mr. Edquist explaining that the hourly fee for such services was specifically spelled out in the management contract, along with administration of insurance claims, as a service fee which must be approved in advance by the Board. He also said the charge for filing the liens on the delinquent properties includes the time it will take to properly release said liens when they are paid.

There was brief discussion regarding the Mid Valley Metropolitan District's easement for access to their equipment servicing Cerise Ranch via a gravel drive over lots 57, 58, and 59. At present, a truck visits this location daily, traversing lot 58's (owners Justin and Katie Erickson) paved driveway and sometimes causing dirt and mud to collect on it, and on Sunflower Loop as the vehicles leave the easement. Keith said he had spoken with the District, which is installing telemetric readout capability to this location sometime in the next few months. This will cut down on the daily vehicle activity, but the District will still require physical access to the site.

Keith said he had suggested to owner Erickson that they gather information regarding this access, District plans, and their own issues with this access, and

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come to the Board with this information should they seek cooperation with the POA in resolving problems. It was pointed out, however, that the easement was of record when each of these lot owners purchased their properties. No Board action was taken at this meeting in regard to this awkward easement encumbering 3 individual lots, but principally impacting lot 58.

There was discussion, but no action taken, in regard to communication from the POA water attorney firm in regard to upcoming state mandated Tabulation of water rights, and Abandonment of water rights. President Schmela said that the same firm had performed due diligence and concluded the Cerise water rights questions earlier in 2008. The letter had been sent to all clients as a business solicitation.

Eric went on to state, however, that it should still be determined what part, if any, of the associations rights are saleable, since these have both an annual cost to the POA and potential value, either to others, or to Cerise owners who might want to purchase some portion of these “evaporative” rights for water features. The present budgeted expense for these rights is approximately \$7500, and paid to the Basalt Water Conservancy. The Cerise Ranch developer sold portions of these rights for \$5,000 each, prior to the conveyance of these rights to Cerise Ranch last year. Some owners have purchased and utilized them. Eric was to check with the attorneys and gain a better understanding of this, so the Board can determine if their annual expense is justified. At present it would seem so, given their established sales values.

Old Business

The Real Estate Transfer Assessment Notice of Levy document was included in the Board materials, along with a Resolution regarding its adoption. Both were briefly discussed, with reference to the January Board decision to put the RETA in place as soon as possible. It was determined to have the documents signed and notarized by all Board members, and to have both recorded as soon as possible. Specifically, the RETA as formulated would mean a transfer assessment of one half of one percent upon the sales price up to 1.5 million dollars, resulting in a maximum expense of \$7500. The Board was to work to accomplish the signings and concurrently to draft a letter to owners explaining the adoption of the Transfer Assessment. This is to be mailed to all owners as soon as possible.

There followed discussion of the Sande property on lot 59 currently under construction and believed to be under contract for sale. Manager Edquist was concerned a new owner might be surprised by DRB requirements in regard to revegetation, landscaping and berming on the lot. He did not want a new owner to be blindsided by Design Review requirements as a first introduction to the Cerise Ranch community. Keith was directed to send a DRB letter to owner Sande, and the sellers and buyers realtors regarding the Completion Deposit held on lot 59

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and DRB requirements for completion of construction, revegetation of disturbed areas, and landscaping.

Discussion passed to the proper number of DRB members, now set at three, but not to be more than 5, according to the Declaration. At length it was determined that there should be 5 members of the Design Review Board. The Board then appointed owners Richard Stumpf Jr. and Shannon Meckley to the DRB, pending their agreement to serve. The other interested owners, Dan Guggenheim and Ed Petrosius, were not appointed given the Board's present understanding of their availability to participate on a regular basis, which the Board felt was critical. Both Mr. Stumpf and Mr. Meckley had previously expressed interest, and Mr. Meckley and Mr. Petrosius both attended a brief DRB meeting the prior week. Management was therefore directed to send a general email once again asking for volunteers for Design Review, which Board will meanwhile operate with 4 members, and actively seek a 5th.

Keith was then asked by the Board to send email notice of the monthly Board meetings to all owners, along with probable agenda topics, and to continue to post minutes of the Board meetings to the website (they are current through December at present, with January's minutes approved and to be posted). The Board has established the regular monthly meeting date, as the first Wednesday of each month, at 7 pm in the Clubhouse. As always, the meeting will begin with an Owner's Open Forum.

President Schmela then informed the Board that he expects to resign from both the executive Board and the Design Review Board by May 1, 2009 due to increased travel required by his business commitments. The Board will therefore need to appoint a replacement Director to fill the balance of Mr. Schmela's term which ends in December of this year.

There being no further business to come before the meeting, the meeting was adjourned at 9:10 pm. The next meeting of the Board will be Wednesday, March 4th, 7 pm at the Clubhouse.

Respectfully submitted

Keith Edquist, EMRE LLC, Association Manager

CERISE RANCH PROPERTY OWNERS ASSOCIATION, INC.

Eric Schmela, President
