

Cerise Ranch Property Owners Association

RECORD OF PROCEEDINGS

Wednesday, February 6, 2008, 7:00 P.M.,
Clubhouse, 0159 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 6, 2008, with the following persons present and acting:

- Eric Schmela, Association President
- Todd Gressett, Vice President
- Brenda Broxton, Treasurer
- Kristen Boothe, Secretary-
- Keith Edquist, Association Manager
- Charles Capobianco, Director was unable to attend

Meeting topics: reserve study update, insurance changes, DRB guideline revision update, trash removal contract, aging report and collections, Responsible Governance Policies, landscape and capital improvement committees.

Owner's Open Forum

There were no comments from the ownership and no owners in attendance.

President's Report

The minutes of the meeting of December 5, 2007 were reviewed and unanimously approved with the single change to the correct spelling of Director Boothe's first name, as shown above.

Eric and Mr. Edquist led a discussion regarding the proposed engineering reserve study from Borne Engineering. This was budgeted for in the 2008 annual meeting, and Mr. Edquist reported that Borne believes little could be done until the winter snow is off the ground. Borne requires a \$2000 retainer, and a signature on the proposal. President Schmela signed the proposal, but the Board directed management not to send the retainer until closer to the date when work could start.

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Manager Edquist had copies of the Borne proposal at the meeting and promised to email them to Directors Broxton, Boothe and Capobianco. Both Mr. Gressett and Mr. Schmela had received these recently, and all the Board received the Borne proposal prior to the annual meeting. Manager Edquist explained that the study would address grading and drainage of the roadways among other engineered features of the POA, and eventually produce a matrix which will indicate the level of reserve funds needed to maintain the Cerise roads, Clubhouse, Pool etc. over the near and long term. Management will have some background work to do in producing materials Borne will reference.

President Schmela led a brief discussion regarding a change to the CRPOA's present insurance policies, which will save somewhere near \$5,000 in premium expense when completed. Manager Edquist has worked with this agency and insurance carrier in other associations. He had copies of the Neil-Garing insurance proposal at the meeting and promised to email them to Directors Broxton, Boothe and Capobianco.

Manager Edquist, President Schmela and Vice President Todd Gressett had a phone conference February 5th with agent Steve DeRaddo of the Neil-Garing agency in Glenwood. All coverages will meet or exceed those existing, with the inclusion of a \$5,000,000.00 umbrella policy. Eric called for a motion to change the CRPOA insurance from the HRH agency and carriers to those proposed by the Neil-Garing agency and insurance carrier Community Underwriters Association (CAU). There was a motion, seconded and carried unanimously, without further discussion, to make this change.

Insurance presently runs to June on all policies. As soon as the present carriers can provide loss histories, the coverage will be changed to CAU, with the policy and the umbrella policy running with the CRPOA fiscal year. Insurance premiums with HRH have been paid for the year in advance, so there will be a prorated refund also due the Association.

Management and Financial Report

Manager Edquist said the Design Review Guidelines had been reviewed and revised and were now posted on the Ceriseranch.com website, along with annual meeting minutes. Also posted are the preliminary and final review applications, the water and sewer connection information, and a summary of the Design Review process. He said that Construction Rules and Regulations were still to be finalized and posted. He said also that he had contacted all contractors and/or owners building in Cerise Ranch last week and reminded all that no dogs are to be brought onto the property by contractors or their subs. In addition, all were notified that they would be receiving written communications from the POA/DRB as a follow up to

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this personal contact. Inclusions in the letter are yet to be determined, but road cleanup and construction hours will be addressed.

Keith then reported on the contract executed with Waste Management for trash services. 27 owners have agreed to be in the program, at a cost of \$20 per month. This is slightly more than WM is charging per home, but is necessary to cover the cost of the WM fuel surcharges each month, and perhaps to absorb some additional trash collection charges over the course of the year. Mr. Gressett asked that Keith contact WM to say that some recycles were not picked up on February 4th. Also, comment was made that the recycle bins provided are too small. (Edquist has since learned WM is waiting for delivery of their larger, standard recycle bins, and that the present bins will be replaced when these are received.

Mr. Edquist made a brief report on past due assessments, saying that owners of Lot 22 (Hebbard and Walker), Lot 57 (Koba LLC) and three lots owned by Ron Sande/Sandesigns were the furthest in arrears. Keith said Mr. Sande had paid his assessments, but none of the late fees and interest. He said Ron had been told to address the Board in writing if he wishes to dispute these charges, but that meanwhile they continue to accrue interest and fees. Management was directed to send “intent to lien” letters to the owners listed on the aging report with updated statements of amounts due. Keith said he would again try to make phone contact with these owners, prior to sending these letters. The “intent to lien” would be sent by both certified and regular mail.

Director Boothe said there was a contract on Ron Sande’s lot 23, with possible close of March 28th. Interest and late fees would be noted on accountant’s statement of assessments due when contacted by the title company involved. These would need to be paid to the POA by the title company at the date of closing if they are not paid prior to closing.

Old Business

There was discussion of the need to send letters to owners who are in non-compliance with the Covenants or with Design Review requirements over various matters. It will be necessary to cite the specific sections of these that owners may have overlooked, and provide reminders that CRPOA will address such non-compliance matters, including penalties and fines. Mr. Edquist said it was imperative that the POA act clearly, fairly and impartially in enforcement. To that end, he suggested establishing set policies. Part of the Board packet for this meeting listed the required and recommended policies added to the Colorado Common Interest Ownership Act by Senate Bills 100 (2005) and 89 (2006).

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Manager Edquist stated that the CRPOA should adopt the eight required “Responsible Governance Policies” as soon as the Board can review and approve them. These policies and other documentation regarding Senate Bills 100 and 89 were included in the Board packet for this meeting. He said his work in producing these and beginning to coordinate their language to the CRPOA Declaration would incur a minimum expense of \$450.00, which the Board approved. Manager Edquist will draft the policies in the next week for Board review and approval, as discussed at the annual meeting.

New Business

Keith said he thought it important to begin discussing the coming landscape season and the proposed capital improvements for Cerise Ranch before spring arrives. He suggested a committee should be formed and a meeting the week of February 11th to discuss these matters. Directors Schmela and Gressett said they would be on the landscape committee, and the names of David Marrs, Stacey Schmela and Peter Dolan were also suggested as potential members. The Board was to try to contact these owners in this regard. It remained undetermined if the landscape and capital improvement committees would be composed of the same members. Mr. Edquist will try to set a meeting of this committee for next week. He said landscaper Tom Hazard had submitted proposals for his work and for capital improvements, and that he had copies of these with him. He will send these by email to potential landscape committee members.

The date of the next Board meeting was discussed and set for Wednesday, March 5th, 2008

There being no further business to come before the meeting, the meeting was adjourned at 9:10 pm.

Respectfully submitted

Keith Edquist, EMRE LLC Association Manager

CERISE RANCH PROPERTY OWNERS ASSOCIATION, INC.

Eric Schmela–President
