

Cerise Ranch Property Owners Association

RECORD OF PROCEEDINGS

Thursday, March 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 March 6, 2008, with the following persons present and acting:

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

Meeting topics: reserve study update, insurance update, DRB Construction rules and regulations update, aging report and recent payments, Responsible Governance Policies revisions, landscape contract and entry lighting updates, leaking sewer line connection in the manhole at Lot 1.

Owner's Open Forum

Other than Board members, there were no owners in attendance. Mr. Edquist stated that owner Windy Baldwin requested lights at the post boxes. Mr. Gressett said the mail carrier had made the same request. Mr. Edquist and Mr. Gressett said owners Hazelbaker and Meckley, respectively, had contacted them to express their opposition to a real estate transfer tax.

President's Report

The minutes of the meeting of February 6, 2008 were reviewed and unanimously approved without changes or corrections.

Manager Edquist asked for and received approval to send the deposit check for the Reserve Study to Borne Engineering in mid-March.

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Management and Financial Report

Manager Edquist stated he had received this afternoon the requested loss histories from HRH, the present insurance agency. He had forwarded those to the Neil-Garing Agency in Glenwood, and expected they could begin the process of changing over the coverage for the CRPOA. Insurance presently runs to June on all the HRH policies. The new policy and the umbrella policy will run with the CRPOA fiscal year. Mr. Edquist said there would be a prorated premium due on the new policies. Insurance premiums with HRH have been paid for the year in advance, so there will be a prorated refund also due the Association, less any pre-payment fees.

Mr. Edquist said the Design Review document for Construction Rules and Regulations had been reviewed and revised by the Design Review Board and awaited only a standard for road cut compaction before being complete and ready for posting on the Ceriseranch.com website. He said also that he notified owners and contractors currently building that they would be receiving written communications from the POA/DRB as a follow up to the completion of the Construction Rules and Regulations. Inclusions in the letter are yet to be determined, but road cleanup, dogs on site, and construction hours will be addressed.

Mr. Edquist made a brief report on past due assessments, saying that all owners but Peter Selucky, owner of lot 33 had responded and payments were received or were being made. He said Mr. Sande had paid all of the late fees and interest on his three lots. Mr. Edquist was directed to proceed with placing a lien on Mr. Selucky's lot. Todd Gressett said he would try to get in contact with Mr. Selucky.

Old Business

Mr. Edquist brought forward the request of the Beckman's for the POA to purchase the exercise equipment in the Clubhouse. He presented a brief letter from Virginia Beckman asking for \$2000.00 for this, along with the previously supplied list of the specific equipment included. Discussion ensued, the result of which was to ask if the Beckman's will accept \$1800. If so, Mr. Edquist was directed to secure a bill of sale and pay by association check.

The next item of business was revision of the Responsible Governance Policies, and the Board elected to move briefly to new business before returning to this topic.

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New Business

Manager Edquist reported that he met this afternoon with landscaper Tom Hazard and believed they had come to an agreement for a 3 year contract as discussed with the Board in the February meeting. Keith said he expected to be able to sign the agreement in the coming week. Budget for landscape this year was set at near \$56,000, with the contract amount discussed being just over \$48,000. This should allow some additional work as necessary, or the funds can be directed to other projects.

Vice President Gressett made a brief report to state that the signage lighting at the entry had been repaired and that some nearby trees may benefit from uplighting in marking the entry. He said also that one or two trees presented view line issues on approach to the entry. The Board is still awaiting a entry feature landscape proposal for plantings and lightings from owner Dave Marrs.

Manager Edquist presented a letter from Bill Reynolds of the Mid Valley Metro District which was previously emailed to the Directors. This regards a leaking grout joint at the sewer line that runs from the Clubhouse to a vault on the corner of Lot 1 near the main roundabout. He said he had received a PDF file that afternoon from the Mid Valley Metro District manager Bill Reynolds, which showed the applicable easements in regard to this vault location. He said he would forward that to the Board tomorrow.

He said further that Mr. Reynolds had been asked to provide more information on warranty and the previous repairs made to this line where it joins the vault. Mr. Edquist also said he would research a number of PDF files he received last summer from the developer to see if any apply to this situation. The POA is uncertain at present where the responsibility for repairs to this grout joint resides. The issue is apparently that ground water seeps into the vault and is carried to the water treatment plant. The District has attempted repairs via the original contractor twice and those failed to repair the problem both times. The District would like work done on the vault before groundwater rises again this spring and summer. No resolution to this issue was forthcoming at this meeting; more information is needed and must be provided the Board to determine a course of action.

Old Business-revisited

The remainder of the Board meeting was given over to consideration and revision of the Responsible Governance Policies discussed in the annual meeting and again in February's Board meeting. The following policies were revised:

Cerise Ranch Property Owners Association

ADOPTION AND AMENDMENT OF POLICIES, PROCEDURES AND RULES.
INVESTMENT OF RESERVE FUNDS.
BOARD CONFLICTS OF INTEREST.
ALTERNATIVE RESOLUTION OF DISPUTES.
INSPECTION AND COPYING OF ASSOCIATION RECORDS.
CONDUCT OF MEETINGS.
COLLECTION POLICY AND PROCEDURE.
ENFORCEMENT OF THE DECLARATION, BYLAWS, RULES AND REGULATIONS, and SCHEDULE OF FINES

Manager Edquist was to make revisions and email final drafts to the Board for approval. *(these were completed and sent via email-3/7/08)*. When approved, these will be posted to the Ceriseranch.com website. The policies will inform Board and POA actions going forward by making actions and enforcement consistent, and holding the Board and management to required standards under Colorado laws.

In conclusion of the meeting 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, the Responsible Governance Policies adopted and distributed to the ownership will be instrumental. These policies should be sent by mail with the 2nd quarter assessment mailing in early April.

The date of the next Board meeting was discussed and set for Wednesday, April 3, 2008

There being no further business to come before the meeting, the meeting was adjourned at 9:40 pm.

Respectfully submitted

Keith Edquist, EMRE LLC, Association Manager

CERISE RANCH PROPERTY OWNERS ASSOCIATION, INC.

Eric Schmela–President
