

Cerise Ranch Property Owners Association

RECORD OF PROCEEDINGS

Wednesday, March 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 March 4, 2009, with the following persons present and acting:

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

Also present were owners: Dan Gruenefeldt, Kevin Tucker, and new owners Bryan and Dawnette Overbo.

Meeting topics: Real Estate Transfer Assessment update Clubhouse Key control, Lot 2 foreclosure update, trash service expense, Water Rights, Drainage Study update, DRB and new appointees, landscape contract, owner survey and clean up day.

Owner's Open Forum

There were no comments from owners in attendance for the open forum section of the meeting. Owner's Gruenefeldt and Tucker discussed their understanding of water features on their respective properties early in the course of the regular meeting. New owners Overbo wished to meet as many Board members and owners as possible by attending. Owners Gruenefeldt and Overbo departed the meeting before its end, Mr. Tucker stayed to the conclusion.

Consideration

The minutes of the meeting of February 4, 2009 were reviewed. There followed a motion for approval, seconded, with the minutes then unanimously approved.

Management Report

Prior to the beginning of the management report, Owner Gruenefeldt inquired about discussion in the February minutes regarding the association's water rights.

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There followed discussion of what rights or interests Mr. Gruenefeldt and Mr. Tucker had purchased from Developer Wintergreen when they paid the Developer funds relating to water features now on their lots. They stated they had purchased water rights, while President Schmela believed it more likely they had purchased rights to construct water features.

The discussion was protracted, and based on the annual expense in the CRPOA budget for “evaporative water losses” paid to the Basalt Water Conservancy. All owners pay this cost, and as discussed by the Board in February, it is not clear whether these rights are best kept by the POA or some portion thereof sold. If sold, the present understanding is that such sales could offset the annual costs paid to the Conservancy. It is not clear if owners with water features at present should be paying a greater share of these fixed annual costs. Mr. Gruenefeldt and Mr. Tucker were asked to look back to their purchase documents regarding these water features/rights, and to provide them to the executive Board for clarification on this matter.

Manager Edquist said he felt it was time to begin to look at expansion of the playground area to add cushioning material under one of the swing sets, as suggested by the insurer’s risk management consultant. He said it was also time to address the cleaning and staining of the wooden bridgework over the irrigation ditches. This will serve to keep them in maintainable condition, and reflective of the values of the neighborhood. There are 4 such crossings of roadways over drainages, two on Cerise Ranch, one each on Sunflower Loop and Bluestem. Mr. Edquist was asked to get bids for both these pieces of work, and to determine what standards the cushioning material in the playground must conform to. Additionally, it was requested that management determine if the playground work was requested or mandatory per the insurer.

Keith told the Board that owners Richard Stumpf Jr. and Shannon Meckley had accepted appointment to the DRB, and that DRB had met briefly and successfully the prior week. He reported that a taxable portion of Cerise common space in Eagle County had been successfully removed from the Eagle County tax rolls, and that he had just filed the CRPOA annual report with the Colorado Secretary of State. He said also that the Real Estate Transfer Assessment had been recorded in Garfield County, as of February 13th, 2009. He was asked to contact local title companies to so inform them. The RETA and the resolution were mailed to all owners in February.

Financial Report

The Board was provided financial statements through February 28th, and a current aging report. The Board reviewed revised financial reports as of December 31, 2008. Mr. Edquist said there had been an adjustment made to last month’s trial figures due to an unpaid 2008 invoice due landscaper Hazard. After payment of this obligation, this resulted in a net income shortfall for the year of \$468.87. The

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Board directed this shortfall be drawn from the association's capital reserve. 2008 would have ended with a budget surplus, had not a property been foreclosed, and 3 other owners been delinquent in assessment payments. (Management has since received an insurance rebate check in the amount of \$467.00-CRPOA is therefore down a net \$1.87 for fiscal 2008).

Keith reported that Countrywide Home Loans had made contact with him regarding the foreclosed Lot 2, and was sending payment for the lien amount and the 1st two quarters of the assessments for 2009. Mr. Edquist suggested that the entire amount due for past due assessments, interest and other charges may or may not be forthcoming. In any case, there is now a contact for this foreclosed home, and an expressed intent to pay current assessments. Keith said he had contacted the realty that has this listing and informed them of the RETA passed by Cerise and that this would affect any sale of this property.

Discussion passed to the recent payments by the lot 66 owner towards 2009 assessments. The Board determined that despite this effort they still will accelerate the 2009 assessment payments for this owner and the other two owners in arrears for 2008 assessments and whose lots were lienied by the Association in January. They will be sent notice of default letters and, barring payment in full, will be lienied for the accelerated 2009 assessment amounts. Management was directed to inactivate their Clubhouse keys and notify them of this loss of privilege.

Management asked for and received instruction to bill at \$60 per quarter for 2009 trash services via Waste Management. Management was directed to investigate current costs under the contract. (fuel surcharges of about \$70 per month have since been lifted from the billing, as a result of this contact). Both first and second quarter trash service will be billed with the second quarter assessments. Mr. Tucker asked he be removed from the trash expense and service, since his home here is presently unoccupied.

This discussion led to a determination by the Board that all owners must use the contracted service provider. This will avoid trash on the curbs on different days and different trash trucks coming through the property. Management is to contact all owners and determine which service they use. Board directive is that an owner must haul trash themselves if they are not willing to be serviced by the contracted association vendor, Waste Management.

Lastly, Mr. Edquist brought forward the request from the owner of Lot 30 that weed control performed on that lot, and on an easement which encumbers it for the benefit of access to lot 31, be charged not to lot 30 but rather to lot 31. The amount is \$60. The Board determined that this matter should be settled between the two owners of these lots.

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New Business

Discussion passed to the landscape contract for 2009 and vendor Tom Hazard. Director Capobianco said he had asked two landscape contractors to bid for the work in Cerise and that they declined. There followed discussion regarding how often Mr. Hazard and/or his equipment is visible here, and how that might be changed. There was support for a bigger contractor with enough manpower to come and complete the Cerise work in a single day. Management expressed more confidence in a company of a size in which the principle is able to work on-site, as opposed to issuing directives from an office elsewhere and perhaps having those directives misunderstood. There was recognition of the value of vendor loyalty and good working relations as important for Cerise Ranch.

An ensuing lengthy discussion regarding the need for review and negotiation on all the association's contracts resulted in a request to have Mr. Hazard attend the next Board meeting and discuss his services and costs. Meanwhile, the 2009 landscape contract begins this month, and Manager Edquist had met with Mr. Hazard prior to the Board meeting and found him willing to discuss these matters. The Board determined to retain Hazard's services for the 2009 season, but also to discuss the contract with him next month.

Director Capobianco stated he had spoken with Mr. Bill Reynolds regarding the Metro District and the pumphouse and reservoir tank here at Cerise, which the District now owns, but which is not being used. Discussion of a pressurized raw irrigation water system utilizing the reservoir and pumps came up in this conversation, with the result being an invitation to Mr. Reynolds to come and speak with the Board at the April meeting on this matter. In a related matter, Charles said the District had come and placed gravel over the muddy easement at lots 57, 58, 59 as briefly discussed last month. Keith was to call and thank Mr. Reynolds for this effort in controlling mud on the roadways, and invite him to the next Board meeting.

Mr. Edquist brought up the matter of key control and key costs for the Clubhouse, which were established in the 2007 "Pool Rules" document regarding Clubhouse and pool use. This document was part of the February Board packet, and not reproduced for this meeting. After discussion of the cost of the electronic keys and a determination that the existing \$100 expense is sufficient to remind owners of the need for their safekeeping, the Board determined to allow the owner who had lost both to repurchase them at the special rate of two keys for \$100. The Board did not act to change the cost stated in the "Pool Rules" document, which owners receiving the electronic keys must sign in order to receive them.

There followed a brief discussion of an owner survey and an owner clean up day for this spring. Survey topics might include pool use, trash services, entry features, signage, post boxes, roundabouts etc. Director Borchelt offered to

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initiate generation and distribution of such a survey. There was also strong support for a community clean up day (now that so much litter has melted out of the snowpack), and some discussion as to how and when to organize this. The cleanup date was finally set for Saturday, April 11th, 9 am at the Clubhouse with lunch to follow. Mr. Edquist to publicize via email.

Old Business

Most agenda items under this heading had been previously discussed.

Keith included in tonight's materials an email from Borne Engineering regarding steps to be taken in regard to maintenance of ditches, roadways and drainages, pursuant to the Borne produced Drainage Study document, part of the receivables produced by Borne under the contracted 2008 Reserve Study. The email called for cleaning of roadside ditches, stabilization of roadside slopes with vegetation, rebuilding of eroded road shoulders, and possible rock riprap on steep slopes to slow the flow of runoff and prevent erosion. Mr. Edquist was to share this information with contractor Hazard.

Keith called the Board's attention to two documents in the packet included for information purposes, one regarding asphalt maintenance practices, and the other calling for a revival of common courtesy instead of resorting to rules and regulations in the settlement of disputes.

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, April 8th, 7 pm at the Clubhouse. This date is deferred one week from the normal meeting date due to spring break from local schools.

Respectfully submitted

Keith Edquist, EMRE LLC, Association Manager

CERISE RANCH PROPERTY OWNERS ASSOCIATION, INC.

Eric Schmela, President
