

Cerise Ranch Property Owners Association

RECORD OF PROCEEDINGS

Wednesday, September 2, 2009, 7:00 P.M.

Clubhouse, 0157 Cerise Ranch Road
Carbondale, Colorado

MEETING OF DIRECTORS

An meeting of the Directors of The Cerise Ranch Property Owners Association (the "Association") of Garfield County, Colorado was held on September 2, 2009, with the following persons present and acting:

- Charles Capobianco President
- Ted Borchelt, Vice President
- April Calabro, Treasurer
- Farrah Roberts, Secretary
- Dave Marrs, Director
- Keith Edquist, Association Manager

Meeting topics: Design Review homes and members, condition of the neighborhood, financial reports and aging, upper ditch operation, Basalt Water Conservation District expense, budget preparation, Dakota issue.

Owner's Open Forum

Owner Roget Kuhn, Lot 16, came to address the Board regarding a drainage easement and drainage ditch which are on his lot. The actual drainage ditch is not located in the ditch maintenance easement, and Mr. Kuhn believed the POA should remedy that situation. After discussion of when Mr. Kuhn bought the lot, and what condition the drainages were in at that time, the Board asked that he research the timeline, and return with a better lot survey plan, so that informed decisions in regard to this matter may be made. Edquist to research plat, easements, title records for Lot 16.

Speaking as an owner, Director Ted Borchelt made a case for the need to enforce appearance standards in the neighborhood, specifically in regard to houses with no landscape or poor landscape or poorly maintained landscape and weeds. He said he felt the Board should change some rules regarding these things and begin to enforce a higher community standard.

Consideration

The minutes of the prior meeting of July 29, 2009 were unavailable at this meeting. They will be reviewed at the October meeting.

Cerise Ranch Property Owners Association

Management Report

Mr. Edquist recapped the weed control efforts to date, noting that all the east and west pastures will be mowed this fall, and that those areas had been treated for weeds. In particular, the areas around lots 23, 24, 25 and 26 are much freer of noxious weeds than in previous years. The Board asked about a large area of thistle in the area between Blue Creek and the Harris-Reed lateral ditch towards the east end of the property. Mr. Edquist had spoken with landscaper Hazard about this area. It was to be mowed early in the year but the grass had laid down so far the cutting was ineffective and was stopped. Mr. Hazard will cut this area this fall, and again next spring. He said there had been no weed growth there in past years, and that when it became apparent it was too large and too late to be dealt with by spraying or cutting. The Board strongly felt that, while this may have been an honest error, the POA had paid for something they did not get. Mr. Edquist will convey this message to the vendor. He said Mr. Hazard regretted this thistle growth, but expressed the opinion that while this particular battle was lost, the war against thistle in CR is being won.

Keith said AA Amazing Excavation had completed the work on Cerise drainages and culverts, but was to come back to correct grade on two culverts and catch basins, which need some additional attention. There will be no additional charge for this work. Mr. Edquist will try to coordinate with the vendor and be on property when this is done.

Regarding Design Review matters, Manager Edquist made a brief report on Lots 45, 47, 23 and 59. Lots 47 and 23 are in process of review and return of Completion Deposits. Lot 45 needs to provide an updated landscape plan to DRB, and Keith showed the Board a photo taken of the rear of Lot 59, which is cluttered with construction debris and equipment, with its owners in process of divorce.

This led to a brief discussion in regard to the Completion Deposits held by CRPOA for this and other problem lots, and whether or not such funds could be used to come onto private property and complete the work of cleanup or landscaping. Mr. Edquist did not know that answer, but offered to do some research on applicability of these funds for such a purpose. He did say, in his experience, that an Association having such a right had never been advised by counsel to exercise it, in respect of private property rights.

Keith then offered photos of cobble street shoulders present in Basalt, and said he had a bid from Tom Hazard to address the eroded main roundabout corners in a similar fashion. He said there was \$1500 in the "Street Maintenance" line item, which had not been spent this year. The Board wanted to have a more comprehensive bid for the entire roundabout, instead of addressing just the south side. Mr. Edquist is to acquire this.

In related discussion, Charles Capobianco is to bid alteration work needed on the playground area, along with landscaper Tom Hazard, to correct the area under the north most swing which has sod beneath it instead of sand. These bids will be evaluated and the work either undertaken or deferred to a later date.

Cerise Ranch Property Owners Association

Mr. Edquist was asked to check with the landscaper to see if the east roundabout is being watered regularly now, and also to see if he knows how to reduce the amount of algae in the ponds, before they begin to multiply and smell up the ponds.

In related matters, Director Calabro said she has been able to run the upper ditch 24/7 for the last five days, and believed that may be possible for the rest of the season. Mr. Edquist recounted the present expenses charged to the POA by the Metro District for electrical and mechanical repairs and parts to the two wells, well caps, and pumps which supply water to the storage tank, and have been able to supply limited water to the upper ditch users this summer. He said electrical repairs were still being made by the District and its vendors to bring the second pump on line. He said also that, at this time, it is unknown to him what party damaged the pumps and electricals, present owners of the lot on which the pumps are located (Lot 27) or the Cerise developer, Wintergreen LLC, or others.

Financial Report

The Board reviewed the balance sheet and income statement as of August 31st. They requested a column be added to show year-to-date actual income and expenses versus a year-to-date budget column. This is possible but will not offer a lot more information, since the 2009 budget was not broken out month by month. Budget preparation was then discussed, and the Board determined to break out 2010 by month, in order to track income and expense more closely next year. Keith suggested accountant Kim Clinco attend the October Board meeting, at which time the Board will begin budgeting for next year's anticipated expenses and services.

There was extended discussion in regard to the income shortfall due to non-payment of assessments by several owners. Mr. Edquist is to contact these owners to try to collect past due balances. He said owners with balances receive statements each month. Several owners have already been liened for past due assessments both last year and this year. The lack of normal income has put pressures on the expense side of the Cerise budget.

In regard to the income statement, Mr. Edquist noted the increased per share cost of the Harris-Reed ditch this year, which took that line item over budget, and also noted the entirely unbudgeted expenses related to getting temporary water to the upper ditch, due to the Dakota issue. He said the saving grace at this point was the \$15,150 in the "landscape improvements" line item, which to date has not been used.

New Business

The Board reviewed the procedure for paying large bills, or unusual expenses. Mr. Edquist said that if an expense was budgeted and expected, he would sign those checks on behalf of Cerise to pay its vendors. He said unusual expenses, such as the recent flood mitigation, or the drainage maintenance expense, would normally be reviewed with the Board. This was, in fact, the procedure followed. There was discussion, but no decision

Cerise Ranch Property Owners Association

made, on adding a third signer to the association accounts. Present signers are Treasurer Calabro and Manager Edquist. Keith said again that he does not sign his own payment checks for services. Those are mailed to Treasurer Calabro for signing. April was to contact accountant Kim Clinco directly to receive transaction details, which will show all payments made to vendors, another detail which the Board wished to review.

Mr. Edquist has given Vice President Borchelt approximately 20 completed owner surveys from earlier this year. Ted will collate and report on this information at the October meeting.

Ted proposed a moratorium on real estate signs in Cerise, or other controls on signage to present a less cluttered appearance. A standardized sign for all sales in Cerise was suggested. No action was taken on this matter.

Old Business

Mr. Edquist had emailed the Board a letter from attorney Chris Coyle of the Balcomb and Green law firm, which detailed his work in April and May of this year as requested by then President Schmela in regard to the Dakota/Schultze sinkhole issue. Keith had also received a copy of Cerise insurance carrier CAU's "Denial of Claim" notice to Mr. Schultze, dated August 21, 2009. This was included in the Board's materials. Director Marris was to forward this letter to attorneys Patrick, Miller, Kropf in order for them to respond to recent inquiries as to the pipeline/sinkhole status from Schultze's attorney

Manager Edquist said he felt it important to begin planning for repairs to this irrigation piping now, as it would require work next March or April in order to have Harris Reed water for the upper ditch next year, instead of relying on the well/pumps/storage system used this year, which has been less than satisfactory, and expensive, for Cerise owners.

This issue is related to other water matters still unresolved from prior years in regard to the payments to the Basalt Water Conservation District for evaporative water rights. Director Marris led a discussion of these matters. The Board was copied on a September 2, 2009 letter from Patrick, Miller, Kropf's Scott Miller to Director Dave Marris. This letter states that decisions remain to be made in regard to surface area of existing water features, which will affect the expense of the POA contract with the Conservation District. The September 2 letter makes reference to, and includes, a prior memo to the Cerise Board dated September 5, 2007. This memo provides a thorough review of Cerise water issues as they were known at the time. There was no action taken on these matters at this meeting.

There was then discussion on how to get owners to take better care of their property and maintain their landscape and streetscape. Directors Marris and Borchelt were to drive or ride the neighborhood, take photos of problem areas or homes and forward them to Manager Edquist. The approach will be to quote the covenants, to the extent they apply to such matters, and write letters to offending owners, along with photos of the properties.

Cerise Ranch Property Owners Association

In regard to the DRB Keith said he had again sent out a mass email looking for an additional Design Review Board member, but with no response. Several names were offered up by the Board, and Edquist is to contact them.

There being no further business to come before the meeting, the meeting was adjourned at 9:25 pm.

The next regular meeting of the Board will be Wednesday, October 7, at 6 PM, an hour earlier than usual, in order to begin work on the 2010 budget. There was talk of providing food for this preliminary budget meeting.

Respectfully submitted

Keith Edquist, EMRE LLC, Association Manager

CERISE RANCH PROPERTY OWNERS ASSOCIATION, INC.

Charles Capobianco, President
