

Cerise Ranch Property Owners Association

Notes on Informational Meeting of Owners

Wednesday, November 19 2008, 7:00 P.M.,
Clubhouse, 0157 Cerise Ranch Road
Carbondale, Colorado

An informational meeting of Owners of The Cerise Ranch Property Owners Association (the "Association") of Garfield County, Colorado was held on November 19, 2008, at the direction of the Executive Board:

Meeting topics: Informational meeting in re: Proposed 2009 budget, real estate transfer assessment and related reserve study.

Several owners were present for this meeting. President Eric Schmela opened the discussion with a summary of the Reserve Study findings and the ability of Cerise Ranch to meet the funding requirements outlined for the community over the next 20 years. He then recapped management's contribution to expense reductions in 2008, and for the proposed budget for 2009. He said assessments were proposed to stay flat in comparison to 2008, at \$600 per quarter, and that \$30,000 had been budgeted in the proposed 2009 budget to go to reserves in 2009.

He said this figure would be about half what is necessary to fund the reserve account to the levels proposed by the Borne Reserve Study. He recapped 6 years of recent home sales and the total dollar volume of those sales. These figures showed that a one half of one percent real estate transfer assessment (RETA) would have generated about \$28,000 per year, again about half of what may be necessary.

This led to extended discussion among the owners, including a handout from owner Dave Marrs listing funding options. Builders and resident owners were heard from in regard to various combinations of assessments, RETA, special assessments, and other contributions to reserves, as well as discussions as to how completely the Association should attempt to meet the study's recommendations for funding –50 percent, 70 percent, 100 percent?

Manager Edquist reminded the owners that the RETA was not a part of the proposed 2009 budget, and did not need to be included in discussions of its approval. He also said that the Board had the power under the CRPOA covenants to institute a RETA. The Board, management and the owners represented at the meeting believed it was important to have an informed ownership on the RETA, and to gain ownership support for such a funding mechanism.

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This discussion ultimately resulted in request for a straw poll in regard to a one half of one percent RETA, with a cap on the assessment coming at a \$1,500,000 price point. The 21 owners represented at this informational meeting indicated they could support such a proposal in regard to a RETA for Cerise Ranch.

There being no further information or discussion, the meeting was adjourned.

Respectfully submitted

Keith Edquist, EMRE LLC, Association Manager

CERISE RANCH PROPERTY OWNERS ASSOCIATION, INC.

Eric Schmela, President
