

Cerise Ranch Property Owners Association

RECORD OF PROCEEDINGS

**WEDNESDAY, DECEMBER 9, 2009, 7:00 P.M.
CERISE RANCH CLUBHOUSE
CARBONDALE, COLORADO**

ANNUAL MEETING OF MEMBERS OF CERISE RANCH PROPERTY OWNERS ASSOCIATION, INC.

The 2009 Annual meeting of members of Cerise Ranch Property Owners Association, Inc. (the "Association") of Garfield County, Colorado was called and held on December 9, 2009, in accordance with the applicable statutes of the State of Colorado, with the following persons present and acting:

ATTENDANCE:

Directors

Charles Capobianco, President
Ted Borchelt, Vice-President
Farrah Roberts, Secretary
April Calabro, Treasurer, was unable to attend
Dave Marrs, Director

Owners present

Martha Capobianco Brenda Broxton
Ed Petrosius
Dan Gruenefeldt Michael Hoffman
Richard Stumpf II

Owners represented by Proxy were:

Steve and Robin Humble
Kristen Boothe Eric Schmela
April Calabro
Peter Dolan Shannon Meckley
Bo Buck Mark Jacobs
Perry Seider
Roget Kuhn Dawnette Overbo

ALSO PRESENT:

Keith Edquist, of Edquist Management and Real Estate,
Association Manager

CALL TO ORDER

President Capobianco called the meeting to order at 7:08 p.m. Manager Edquist stated that there was a quorum present as represented by those present and the proxies he had received for the meeting. Proper Notice of the meeting was given.

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CONSIDERATION

The minutes from the December 11, 2008 Annual Meeting were presented for consideration and approval at this time. After a brief period for review, there was a motion, a second, and without further discussion the minutes were approved as presented.

PRESIDENT'S REPORT

The business above concluded, President Capobianco said the Board had worked hard to formulate the proposed 2010 budget, and to cut expenses. He said there were not a lot of changes, but did note that the pool would be open Memorial Day to Labor Day, and not open in September.

Owner Ed Petrosius inquired about the lack of any budgeted funds for road maintenance in 2010. Vice President Borchelt stated that any necessary road maintenance would be addressed from reserve funds in 2010, and thus no expense was shown in the operations budget for that line item.

President Capobianco said that weed control efforts on private lots will be handled differently in 2010. In the recent past, the Association has contracted with a vendor to address this need, and owners have been billed for work done. There has been room for improvement in this, as bills already paid by the POA come due from owners later in the fall, and expenses for weed control on private lots have been questioned. In 2010, owners will contract directly with weed control vendors to address weeds on their properties, and will be billed for work directly, rather than through the POA.

Manager Edquist reminded owners of the presentation on weed control at last year's annual meeting, as reported in the 2008 annual meeting minutes. He reminded owners that Garfield County will assist in the cost to homeowners of weed control. Weed control is required of both the association on common space and of individual owners on their lots by the Cerise Ranch Covenants. Owner Petrosius asked when weeds are sprayed. Mr. Edquist said the attempt was initially made in May of this year, but that wet weather delayed this almost a month. Ideally, weeds are sprayed when they are in the rosette stage, when they are small (for the most part, noxious weeds targeted in Cerise are Musk, Canadian and Plumeless thistle). Canadian thistle is sprayed again each year after the first frosts of the fall, as these spread by roots as well as by seed.

(Additional information on weed control is available at: <http://www.garfield-county.com/Index.aspx?page=565> or Colorado Weed Management Association, www.Cwma.org)

Director Dave Marrs made a brief presentation in regard to some non-compliance issues the Board wishes to deal with in 2010, and to that end he passed out a summary of five paragraphs regarding maintenance and landscaping, exterior improvements, street parking, exterior lighting and signs. This document is herewith attached and made a part of these minutes.

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Dave said that these were issues that either the Board or the Design Review Board would be dealing with this winter and in the spring. Some maintenance matters are more easily corrected by owners when the weather is milder. Parking on roadways is prohibited, and especially in the winter this compromises the ability to remove snow from the roadways. He went on to say that owners in non-compliance in regard to these issues may expect letters from the POA asking for corrections to be made. Should that prove ineffective, the Association has the ability to impose fines for non-compliance with the covenants.

Mr. Marrs went on to discuss what types of improvements to properties should come through the Design Review process, and stated the DRB has adopted a flexible fee schedule in regard to such improvements. He encouraged owners to contact a member of the Design Review Board, or management, with any plans for improvements, or questions in regard to DRB matters.

DISCUSSION OF BUDGET

Dave Marrs began the budget discussion by stating that the Board had included a line item expense for bad debts, in light of foreclosures and liens on Cerise properties by mortgage holders and/or the CRPOA in 2009. Manager Edquist went through a 2009 financial overview document included with the materials handed out at the meeting (also available by request via email). It documents an income shortfall in assessments of \$18,226.30, and a projected \$137,400 in operating expenses against the operation budget for 2009 of \$140,700, or a \$3,300 budget surplus.

The lack of assessment income offsets the under budget situation by a projected year end 2009 total of \$14,926.30. Manager Edquist explained that this shortfall will most likely have to be charged against the capital reserve account for 2009. He said this would result in reserves being drawn down to somewhere around \$86,000, as opposed to the projected \$101,000 which was the expected capital reserve funding at the end of 2009.

Mr. Edquist said the 2010 budget includes expected contributions to the capital reserve account from assessments of \$30,000, as did the 2009 budget. Inclusion of the bad debt line item in 2010, combined with extensive cuts in the maintenance portion of the 2010 budget allowed a final monthly assessment of \$175, versus the \$200 per month in 2009. This will result in a quarterly assessment of \$525 per quarter in 2010, down from \$600 in 2009.

At this point Vice President Ted Borchelt made a motion to accept the 2010 budget as proposed, President Capobianco seconded, Directors Capobianco, Roberts and Marrs voted proxies held in their name in favor of approval of the proposed 2010 budget, and those owners present voted, unanimously, to approve.

Director and Secretary Farrah Roberts asked if all those present understood the situation in regard to the upper ditch. As most indicated they did not, she asked Manager Edquist to summarize this matter as it stood on the date of the meeting. Keith said that a sinkhole had developed near the buried irrigation pipe which

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normally supplies water to the upper ditch (on the uphill side of Larkspur Drive) in Cerise Ranch. Mr. Edquist said that Cerise Ranch had not put water through this pipe since November of 2008, when the ditch was shut down for that year. Consequently, it did not seem reasonable that irrigation water caused the sinkhole. In a good faith effort not to confuse the sinkhole situation, Cerise Ranch did not put water through this buried pipe in 2009. Instead, the Board worked with the Mid Valley Metro District to use wells on Cerise property, and to pump water from them to the storage tank (owned by the District) on the east end of Larkspur Drive, above the roundabout, in order to provide water to the users of the upper ditch.

Cerise incurred unbudgeted expenses related to this effort of \$5540. In addition there have been legal expenses in researching the responsibility for maintenance of this buried pipe which contributed to the over budget legal line item of \$6693 against the \$3000 budgeted for 2009. The above expenses were as of the date of the annual meeting, and not for year end 2009. Mr. Edquist said this was where the matter stood at present, and that the situation in Dakota is not resolved.

ELECTION OF DIRECTORS

The other significant order of business at the annual meeting after the approval of a budget is the election of new directors to the Executive Board. Directors Capobianco and Marris terms expire this December. Owners Mike Hoffman and Martha Capobianco agreed to stand for election to the Board prior to the annual meeting. President Capobianco asked Director Marris if he would continue to serve, and he agreed to run again. Each of the candidates made a brief presentation in regard to their background and reasons for wishing to serve. There being more candidates than open Board seats, it was again necessary to have the vote taken by secret ballot. This was done, and owner Dan Gruenefeldt was enlisted to tally the votes. Directors Capobianco, Roberts and Marris voted proxies held in their name in favor of candidates of their choice. As a result of the ballot, Martha Capobianco and Dave Marris were elected to three year terms, expiring in December of 2012.

Manager Edquist thanked Mike Hoffman for standing for election, and President Capobianco on his 3 years of service to the Association. Director Borchelt's term expires in 2010, and Roberts' and Calabros' terms expire in 2011. These staggered terms for Directors were established last year, and ensure continuity and some history remains from year to year in the CRPOA Board. The Executive Board will determine its officers and their terms at their next meeting.

NEW BUSINESS

None

OLD BUSINESS

None


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Next Annual Meeting: December 2010, location to be determined. Notice of the meeting date and location is always mailed to the ownership.

ADJOURNMENT

There being no further business to come before the Board or ownership, the meeting was adjourned.

Respectfully submitted,



Keith M. Edquist
Edquist Management and Real Estate, LLC
Secretary to the Meeting

CERISE RANCH PROPERTY OWNERS
ASSOCIATION, INC.

Charles Capobianco –President

Inclusion: Marrs document regarding Cerise Covenants, attached.

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**Declaration of Covenants, Conditions, Restrictions and Easements for
The Cerise Ranch Subdivision
www.ceriseranch.com (Homeowner's Info.)**

Cross Reference Guide

Topics:

Maintenance and Landscaping
Exterior Improvements
Street Parking
Exterior Lighting
Signs

Maintenance and Landscaping – Article IX – Page 20 – Section 9.1

Each owner shall be solely responsible for all landscaping, maintenance and repair of his lot and of the exterior and interior of his residence...

Exterior Improvements – Article XVI – Page 37 – Section 16.2

No improvements will be erected, placed, reconstructed, replaced, repaired or otherwise altered, nor will any construction, repair or reconstruction be commenced until plans for the improvements have been approved by the Design Review Board. Note: this does not apply to improvements that are completely within the dwelling structure.

Street Parking – Article XVII – Page 46 – Section 17.1 (O)

No automobiles or other vehicles will be parked in any street or upon any portion of the Property, except within garages, carports, or designated parking areas...

Exterior Lighting – Article XVII – Page 47 – Section 17.1 (U)

All exterior lighting... will be subject to regulation by the Design Review Board. DRB guidelines 3rd Amended and 4th Amended read as follows – both are at Section 2.9. The rural and night skies are to be preserved at Cerise Ranch. Exterior lighting should be minimal... Where outdoor lighting is required, fixtures shall be shielded so that no light source is directly visible from the street or neighboring homes...

Signs – Article XVII – Page 44 – Section 17.1 (G)

No signs of any kind will be displayed to the public view except... Signs approved by the Design Review Board. No "For Sale" or "For Rent" sign except for standard signs that do not exceed four square feet. 3rd and 4th Amended DRB Guidelines at Section 2.11 allow for a maximum of one standard real estate sign per lot...