

RECORD OF PROCEEDINGS

Wednesday, January 6, 2010, 6:00 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 January 6, 2010, with the following persons present and acting:

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

Meeting topics: HOA the Easy Way video, Election of Board officers and terms, Management discussion, review of 2009, Dakota/Highline ditch issue update, aging reports and collections update.

Owner's Open Forum

There were no owners present other than Board members.

Consideration

The minutes of the prior meeting of December 2, 2009 were presented for approval, and approved as submitted. The Board also conceptually approved the draft of the annual meeting minutes, which will not be official until approved at the next annual meeting.

New Business

Manager Edquist played a short video on understanding the operations of an HOA, its owners and Boards and managements responsibilities. Mr. Edquist asked for and received permission to reproduce for the Board new binders for the CCRS, Design Guidelines, Responsible Governance Policies, Articles and Bylaws.

The Board then named its officers for the coming year. Dave Marrs, 3 year term to end December of 2012, President. Ted Borchelt will remain Vice-President, with term ending December 2010. April Calabro will remain Treasurer, with term ending December 2011.

Farrah Roberts will remain as Secretary, with her term expiring in December of 2011. Martha Capobianco, Director, 3-year term to end December of 2012. This preserves the desired staggering of Director terms in office, established last January.

The Board and management reviewed the 2009 year in terms of goals and accomplishments. President Marrs said his primary focus in 2010 will be to get the Dakota/Cerise upper ditch supplying irrigation water as it has in past years. Ted Borchelt urged the Board take a long term view regarding the community, despite the economy, and, in response to the owner's survey taken this past summer, plant more trees along the berm. Farrah Roberts said there was no allowance for landscape improvements in the approved 2010 budget. She suggested a Board calendar to address community events and needs such as pool opening day, clean-up day, and a periodic review of landscape operations. Management suggested there should be more communications to the rest of the Cerise Ranch owners in 2010, particularly as regards the Dakota sinkhole issue and resultant expenses.

Mr. Edquist noted required disclosures for HOA's under Colorado law, saying most could be addressed via the website. The Board asked if webmaster Mark Pearson could attend the next meeting. Also, owner Jeff Skilton was to be invited, as he had stated he would be able to assist with website production on a no fee basis. President Marrs reminded Mr. Edquist that a 'mind-dump' of his knowledge of the Dakota sinkhole matter should be produced for the Board for use in discussions with Dakota and Dakota owner Schultze. Finally, there was a motion, seconded and carried after brief discussion, to accelerate assessments due for previously liened lots/homes in Cerise Ranch for the 2010 CRPOA dues. Those include lots 57, 26, 66, 39 and 8. Lot 33 is being foreclosed upon by Alpine Bank, and Director Roberts assured the Board the liens on that property would be paid in full. It was also determined not to lien Lot 59 until it had passed from the present owner's possession into that of its mortgagee.

The Board briefly discussed 'no trespassing' signage erected by the Dakota townhomes on Cerise owner Broxton's property. Ted Borchelt reported that it was placed in response to Dakota owner complaints about motorized vehicles using this trail. The Board determined to let this rest until springtime, and address it in expected conversations with the Dakota HOA regarding the sinkhole matter. Director Roberts suggested it could be replaced with a 'No Motorized Vehicles' sign. Note is made that the Dakotas are two associations: townhomes and single family homes, and that this issue lies with the townhomes. Last, the Board Ok'd payment of the most recent (November) legal expense from the Patrick, Miller and Kropf firm regarding their work on the Basalt Water Conservation District contract and the Dakota sinkhole matter.

Discussion passed to the previously approved landscape budget line item for 2010. Mr. Edquist was asked to invite contractor Tom Hazard to the next meeting to address specifics of his work, expense to the POA, methods of payment, and scope of work. Director Roberts reminded the Board that Tom has a 3-year contract in place, which he previously

agreed to modify in preliminary 2010 budget discussions. She suggested Tom be retained, but with specific direction in regard to the mowing operations in Cerise.

In connection with this mowing, it was suggested the Board meet with Metro District manager Bill Reynolds this coming spring to address his abilities to mow parts of Cerise which may be too wet to allow a tractor, and also to explore his thoughts on noxious weed control in these areas.

Board discussion passed to the management contract with Mr. Edquists's company, EMRE LLC. Mr. Edquist was asked if he could reduce costs and/or if there were more things the Board could do which would assist in reducing the costs of management. Mr. Edquist said that he did not bill per hour for specific services, rather providing a suite of all necessary services at a monthly set expense. He said that accounting, management and DRB administration are being performed under the management contract price.

After further discussion, the Board adjourned to executive session to discuss management for Cerise Ranch.

Respectfully submitted

Keith Edquist, EMRE LLC, Association Manager

CERISE RANCH PROPERTY OWNERS ASSOCIATION, INC.
Dave Marrs, President

Cerise Ranch Property Owners Association