

Cerise Ranch POA

0157 Cerise Ranch Road

Carbondale CO, 81623

NOTICE REGARDING WORKING CAPITAL ASSESSMENTS

Greetings, Cerise Ranch Property Owners:

As provided for in Section 11.13 (page 32) of the Declaration of Covenants, Conditions & Restrictions for Cerise Ranch (as recorded in Garfield County Clerk & Recorder's Office, recordation # 573540, dated 12/12/2000), this letter serves as formal notification to all Cerise Ranch Property Owners that the Executive Board has elected to use all collected and future working capital assessments for the following purposes:

- 1) to supplement the annual, ordinary operations of the Association due to the adverse cash flows resulting from a disproportionately high accounts receivable and the non-payment of assessments by numerous property owners over the past two years; and
- 2) to provide funds for Association capital projects and capital assets, at the Executive Board's discretion.

* Each buyer of a Cerise Ranch lot has contributed (or will contribute) the equivalent of one-quarter's worth of annual assessments to the working capital fund (for 2010, one-quarter's assessments equals \$525). It is presently anticipated by the CRPOA Executive Board that all current working capital funds will be expended to cover operational shortfalls in 2010, as well as any capital projects and unanticipated operational shortfalls in 2011.

Should you have any questions regarding the use of working capital assessments, please contact Heather Gosda at Beach Resource Management at 970.273.3100. Thank you!

Your Cerise Ranch POA Executive Board
November 22, 2010