

RECORD OF PROCEEDINGS

Tuesday, December 14, 2010, 6:30 P.M.

Clubhouse, 0157 Cerise Ranch Road
Carbondale, Colorado

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

The 2010 Annual meeting of members of Cerise Ranch Property Owners Association, Inc. (the “Association”) of Garfield County, Colorado was called and held on December 14, 2010, in accordance with the applicable statutes of the State of Colorado, with the following persons present and acting:

ATTENDANCE:

Directors

Dave Marrs, President
Ted Borchelt, Vice-President
Farrah Roberts, Secretary
April Calabro, Treasurer
Martha Capobianco, Director

Owners Present

Ed Petrosius
Peter Dolan
Ivan Gradisar
Lynn Gradisar
Buck Dunininck
Charles Capobianco
Dan Guggenheim

Owners represented by Proxy were:

Dan Gruenefeldt designating April Calabro
Mark Jacobs & Jane Jacobs designating David Marrs
Roget Kuhn designating Board
Brenda Broxton designating David Marrs
Kimberly Welsh designating David Marrs

ALSO PRESENT:

Heather Gosda, Gary Beach, Roy Saba of Beach Resource
Management, Property Manager
Kim Clinco, Bookkeeper

David Wiedinmyer of the Clean Energy Collective gave a presentation in regards to clean energy alternatives. Mr. Wiedinmyer suggested purchasing solar panels that were located off site and maintenance, service and installation would be taken care of by someone else. They also get a

better credit from Holy Cross Energy at \$0.11 per watt. One panel would cost \$725 and has a 40-50 year lifespan with typically a 25-year warranty. A trust account is set up with 5% of the cost for the maintenance, service and care of the panel. Please contact Dave Wiedinmyer for additional information at (970) 948-6309.

CALL TO ORDER

President Marrs called the meeting to order at 6:47 p.m.

President Marrs introduced the current Board members and gave a brief description of what was entailed in being on the Board including meetings, owner's forum and elections.

President Marrs completed his commitment to serve and Vice President Ted Borchelt is at the end of his term on the Board. The CRPOA seeks applicants to run for open Board positions.

President Marrs confirmed with Beach Resource Management that there was a quorum present as represented by those in attendance along with the proxies received for the meeting. Proper notice was given.

President Marrs introduced our property managers, Gary Beach, Heather Gosda and Roy Saba, Beach Resource Management.

CONSIDERATION

The minutes from the December 9, 2009 Annual Meeting were presented for consideration and approval at this time. After a brief period for review, there was a motion from Director Capobianco to approve the Annual Meeting minutes and there was a second motion by Peter Dolan. All voted in favor.

PRESIDENT'S REPORT

President Marrs gave a brief overview of the information packet that was sent to property owners in anticipation of the meeting. The packet included an overview of accomplishments and challenges for 2010. President Marrs highlighted that all property owners need to work together in regard to Covenants, Conditions and Restrictions and that the working capital fund was being used since past due membership dues were decreasing cash flow.

President Marrs discussed the repair of the gazebo. Currently there have been three bids to repair with costs from \$12.5K - \$15K. Charles Capobianco is putting together another bid to repair. The bid to remove the gazebo is \$1,800 and will remove the liability of someone getting hurt. President Marrs mentioned a special assessment to reconstruct the gazebo of \$200 - \$300 per lot. Ed Petrosius recommended using the reserve fund. Heather Gosda of BRM reminded the group that CRPOA funded \$30K from the reserve fund for capital assets for 2010 to repair the ditch. Ms. Gosda recommended against using the reserve fund due to the economic downturn and the shortfall from receivables and to instead special assess for repairs. Ed Petrosius stated that 25% of people are not paying their dues and that a special assessment will

penalize the people that are currently paying their dues. Ms. Gosda noted that we are pursuing owners who are not paying via small claims court. Ms. Gosda suggested a maximum special assessment that the property owners would feel comfortable with to repair the gazebo as it would be difficult to special assess later since very few people came to the meetings. Peter Dolan believes the decision lies with the Board as they represent CRPOA. Vice President Borchelt pointed out that a decision was made by the Board to remove the structure and was included in the meeting minutes and that trees on the highway were of a higher priority to many homeowners. Charles Capobianco believed that the decision for the trees was made prior to the gazebo issues. A final determination will be made at the January 2011 Board meeting.

2010 YEAR IN REVIEW

Kim Clinco pointed out that the Accounts Receivable has created stress on the reserve and operating funds. BRM is working diligently to collect the Accounts Receivable. The problem will continue into 2011. The Board worked to lower the dues and lower expenses. Management fees will be under budget for 2010. The upper ditch repair (\$25K) and asphalt repair (\$5K) was funded by the reserve fund. We began the year with \$94K in the reserve fund and should end 2010 with \$98K. Charles Capobianco asked if CRPOA received any funds from the Real Estate Transfer Assessment. Treasurer Calabro stated we received approximately \$14K with a total of 5 real estate closings for the year.

Roy Saba of BRM reviewed the Collection Policy of CRPOA. BRM is pursuing owners via liens and small claims court. A letter of intent for legal pursuit of past due assessments is mailed to owners over 30 days past due. After a lien is filed we file a claim with small claims court in the hopes of getting a judgment. With the judgment an amount of 8% interest may be accrued. BRM enforces judgments using Interrogatories. CRPOA has 6 years to pursue assessments. Director Capobianco stated we have been successful with small claims court. Ms. Gosda said that while the association has been successful in judgments in small claims, we have not yet been able to collect to date. BRM will work toward garnishing wages and accounts. A letter of intent to pursue legal action will often elicit a positive response. Another option is to foreclose on the property. The key to foreclosure is equity in the property. Peter Dolan asked if there is a fee to pursue small claims. Ms. Gosda answered that the fee is \$500 to cover filing costs and their time. President Marrs wanted let everyone know that the Board and BRM is doing everything possible to collect dues including changing the billing to the month prior to the quarter being billed for. Peter Dolan noted that he is on the Board for another HOA and that he has seen other homeowners take the position that that there is no obligation to pay dues.

PROPOSED 2011 BUDGET

Treasurer Calabro stated that there were not many changes for the 2011 budget compared to the 2010 budget. The Assumptions for Board Approved 2011 Budget outlines the changes. The management fee was reduced \$3,500 for 2011. President Marrs noted that the reserve transfer of \$30K in 2011 will depend on the accounts receivable. Treasurer Calabro noted that trees being planted on the berm on Highway 82 will be funded from the Wildlife Preservation Fund. A motion to approve the 2011 budget as proposed was made by Peter Dolan. Ed Petrosius seconded the motion. The motion was approved unanimously.

ELECTION OF EXECUTIVE BOARD

With Dave Marris and Ted Borchelt concluding their commitment to serve or at the end of their term, President Marris went over the need to elect new Board Members. All property owners will need to participate at some point. President Marris called for nominations to the Board. Dan Guggenheim is interested in being on the Design Review Board but is unable to be on the Executive Board as he travels extensively. Due to lack of interest and no nominations there will be no election for the Executive Board.

The meeting was adjourned at 8:06 p.m.

Respectfully submitted

Farrah Roberts, Secretary

CERISE RANCH PROPERTY OWNERS ASSOCIATION, INC.
