

Deerwood Ranches Owners' Association
2007 Annual Meeting Minutes
June 2, 2007

I. Call to Order:

The meeting was called to order by the Harris Newman at approximately 9:15AM.

II. Quorum:

There were 10 owners represented in person and 5 by proxy as follows:

Bob & Karen Dierkes	(Lot #11)
Barb Walz	(Lot #14)
Chris & Gary Reitz	(Lot #7)
Gloria Pereyra	(Lot #4)
Terry Silva & Donna Meitus	(Lot #2)
Harris & Susan Newman	(Lot #22)
Tom Brock	(Lot #20)
Kathy Gibbs	(Lot #13)
Jeff Weisshaar	(Lot #10)
Ron Wentzel	(Lot #24)

Proxies:

Brian Hart	(Lot #21)
Daniel Fisher	(Lot #8)
Greg Kmetz	(Lot #9)
Margo Gasch	(Lot #17)
Gerry McKenna	(Lot #6)

A quorum was established.

III. Update of Association Business

A. Financial Reports

1. Donna Meitus reviewed the financial reports (copies attached). We are financially sound with not any new financial issues at this time.
2. The 2008 Proposed Budget was reviewed and discussed. Gloria Peryera motioned to ratify the 2008 Budget and Terry Silva seconded. The motion carried. In later discussions, requests were made to add items to the 2008 budget. The budget will be revised and a special meeting will be called to ratify the 2008 budget.

B. Weed Control/Grazing Lease

1. We did not have any commercial spraying done this year. We will need to contract with a new spraying company for next year. The roadsides are in pretty good shape, but the trail easements and higher areas need attention. After discussion, the consensus was to continue to stay aggressive with weed control and make sure owners are aware of their responsibility to eradicate weeds on their property.
2. We have a commitment from Banning Cattle for a new 3 year grazing lease. The cattle will be here in early July. There will not be any sheep in Creek Ranch this year.

C. Road Maintenance

1. Gary Reitz reviewed the road maintenance plan. We spent \$7,000.00 this year on additional road base and grading leaving funds for more grading if needed. Discussion regarding other methods for road maintenance included rolling the road base when there is moisture, revisiting mag-chloride to reduce dust, getting bids from other companies (Connell, Elam) for road improvements. Ron Wentzel motioned to add another \$2,000.00 to the road maintenance budget for road base. Bob Dierkes seconded and the motion carried. Gary Reitz will talk to other companies and get estimates on the items discussed.

D. CIOA Policies and Procedures

1. Since the 2006 Annual Meeting, we have more information regarding getting the Association in compliance with the CIOA Policies and Procedures. The Executive Board will get this finalized and have a special meeting to ratify. We will send out the final copy prior to that meeting for questions and changes.

- E. Gate: We had the same discussion we have every year about the 179 gate not staying locked . **We encourage every owner to do their part in keeping the gate locked to reduce trespassing and reduce wear-and-tear on our roads.**

IV. New Business

- A. Proposed expansion to the Deerwood Service Company water system.

1. Gloria Pereyra gave a summary of the water system.

The lots in Deerwood Ranches were originally sold with the well and water system in place operated by Deerwood Service Company. The main well is an underground aquifer with Trout Creek as the main tributary.

In 1999, Deerwood Service Company was granted a special use permit (SUP) to expand the system for the Creek Ranch Subdivision and in 2001 an additional SUP was approved for 4 more taps for the Wilkerson Subdivision. At that time, the Planning Commission indicated that they would not approve any further expansions.

In 2001, John Adams (owner of Deerwood Service Company) proposed to the Deerwood Ranches Ownership to take over the ownership of the water system. At that time the ownership was opposed to this idea because of potential liabilities and unknown future capital requirements.

In 2002, after a serious drought, Deerwood Service Company installed meters to monitor water usage and began to charge for water.

In February of 2007, another petition to expand the water system was submitted to the Planning Commission for approval. It has been "tabled" until further notice.

As a result of this latest petition, the Executive Board agreed to retain Claire Sollars (a water attorney) of Klauzer and Tremaine, LLC to represent Deerwood Ranches to oppose this expansion. We have also teamed up with the Creek Ranch Subdivision to consolidate our efforts. We have spent less than \$850.00 in fees to date and we feel it was money well spent. At this time, it is an open court case, but no further action will be taken unless another petition to expand the water system surfaces.

Karen Dierkes who works at Klauzer and Tremaine, has volunteered much of her time toward helping with this issue. She added the following comments. Twenty Mile Coal Company has the water rights to Trout Creek and is very much opposed to this expansion. Also the Colorado Water Resources and the State Engineer are opposed as well. In addition, there is not a backup augmentation plan in place. There is plenty of opposition to this expansion and we are in a good position at this time.

B. Zirkel Wireless

Karen Dierkes has had discussions with Zirkel Wireless (a local wireless internet provider) to possibly expand service to our area. They require that a certain number of people will be serviced by a new location. They would install a 20' tower in a place that would have ATV access. We are hoping that a location on the hill between Whitecotton and Deerwood Ranches could be used to accommodate owners in our subdivision and Creek Ranch. Harris Newman volunteered to proceed with discussions with Zirkel Wireless.

Bob Dierkes mentioned that Twenty Mile Coal Company is adding new cell towers which may improve our cell service in the future.

C. Common Area Pond

Ron Wentzel asked if we could stock the pond with fish. We have done this in the past, but without aeration, the fish will die in the winter. He mentioned that there are owners who would like to get the pond area cleaned up and usable again and motioned to spend \$500.00 on improvements. The motion was seconded by Susan Newman and the motioned carried. Everyone was in favor of a cleanup day being organized.

D. Kathy Gibbs asked if the dues could be lowered now that we have a reserve built up. The consensus was that the \$300.00 per quarter dues has put us in a position to not have to raise the dues in the near future and has also done what we intended by building a solid reserve.

E. Tom Brock requested that a "Slow, Children at Play" sign be added. There was not any opposition and Tom will pursue this.

V. Election of Officers

A. The position on the Executive Board vacated by Charles Lorch (who has moved away) needs to be filled and the term of Harris Newman has expired. Gloria Pereyra motioned to re-elect Harris to the Board and Susan Newman nominated Ron Wentzel. With no other nominations, Ron Wentzel and Harris Newman were unanimously elected.

With no further business, the meeting was adjourned at 11:00AM.

DEERWOOD RANCHES OWNERS' ASSOCIATION
PROJECTED BUDGET FOR 2008
Prepared May 30, 2007

**Proposed
Budget - 2008**

INCOME:

COMMON AREA DUES	\$28,800.00
INTEREST INCOME	500.00
TOTAL INCOME:	<u>\$29,300.00</u>

EXPENSES:

ACCOUNTING	\$500.00
BANK CHARGES	50.00
COMMON AREA IMPROVEMENTS	500.00
INSURANCE - LIABILITY	4,500.00
LEGAL	500.00
LICENSES AND FEES	25.00
MEETING EXPENSES	50.00
REPAIRS AND MAINTENANCE:	
GENERAL/FENCE	1,000.00
POND	-
ROAD	10,000.00
SNOW PLOWING	6,500.00
WEED CONTROL	4,000.00
TOTAL REPAIRS & MAINT.:	<u>\$27,625.00</u>

SUPPLIES:

POSTAGE	\$200.00
OFFICE	150.00
TOTAL SUPPLIES:	<u>\$350.00</u>

TOTAL EXPENSES: **\$27,975.00**

NET INCOME: **\$1,325.00**

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06/01/07
Cash Basis

DEERWOOD RANCHES OWNERS' ASSOCIATION
Balance Sheet
As of May 31, 2007

	<u>May 31, 07</u>
ASSETS	
Current Assets	
Checking/Savings	
1st National Bank of Steamboat	20,556.80
CD - First National Bank -2270	12,186.79
CD - First National Bank - 2337	<u>4,316.97</u>
Total Checking/Savings	37,060.56
Accounts Receivable	
ACCOUNTS RECEIVABLE	
Accounts Receivable - DUES	<u>-900.00</u>
Total ACCOUNTS RECEIVA...	<u>-900.00</u>
Total Accounts Receivable	-900.00
Other Current Assets	
Undeposited Funds	<u>600.00</u>
Total Other Current Assets	<u>600.00</u>
Total Current Assets	<u>36,760.56</u>
TOTAL ASSETS	<u><u>36,760.56</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	<u>100.00</u>
Total Accounts Payable	<u>100.00</u>
Total Current Liabilities	<u>100.00</u>
Total Liabilities	100.00
Equity	
Unallocated Reserves	38,560.30
Net Income	<u>-1,899.74</u>
Total Equity	<u>36,660.56</u>
TOTAL LIABILITIES & EQUITY	<u><u>36,760.56</u></u>

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06/01/07
Cash Basis

DEERWOOD RANCHES OWNERS' ASSOCIATION
Profit & Loss
January through May 2007

	<u>Jan - May 07</u>
Ordinary Income/Expense	
Income	
Common Area Dues	
DUES - 2007	11,840.00
DUES - 2006	<u>1,200.00</u>
Total Common Area Dues	13,040.00
Interest Income	<u>204.22</u>
Total Income	13,244.22
Expense	
Accounting	250.00
Insurance -D&O-Liability	2,601.00
Legal	860.95
Licenses and Fees	10.00
Meeting Expenses	117.50
SNOWPLOWING	
Snowplowing - 2006-2007	<u>4,405.00</u>
Total SNOWPLOWING	4,405.00
Repairs and Maintenance	
Signs	65.00
Road	<u>6,792.47</u>
Total Repairs and Maintena...	6,857.47
Supplies	
Postage	<u>42.04</u>
Total Supplies	<u>42.04</u>
Total Expense	<u>15,143.96</u>
Net Ordinary Income	<u>-1,899.74</u>
Net Income	<u><u>-1,899.74</u></u>

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Cash Basis

DEERWOOD RANCHES OWNERS' ASSOCIATION
Profit & Loss
January through December 2006

	<u>Jan - Dec 06</u>
Ordinary Income/Expense	
Income	
Common Area Dues	
DUES - 2006	26,400.00
DUES - 2005	3,474.00
DUES - 2004	225.00
Total Common Area Dues	30,099.00
Finance Charge income	500.00
Grazing Leases	3,623.97
Interest Income	732.17
Total Income	34,955.14
Expense	
GRAZING PAYMENTS	
Grazing Payment - 2006	2,157.60
Grazing Payment - 2005	1,466.40
Total GRAZING PAYMENTS	3,624.00
Accounting	450.00
Insurance -D&O-Liability	4,290.68
Legal	557.77
Licenses and Fees	10.00
Meeting Expenses	25.00
SNOWPLOWING	
Snowplowing - 2005-2006	4,425.00
Total SNOWPLOWING	4,425.00
Repairs and Maintenance	
Signs	135.00
Fencing	0.00
Road	14,909.30
Weed Control	
Deerwood Association	560.00
Homeowner portion	-515.20
Total Weed Control	44.80
Total Repairs and Maintena...	15,089.10
Supplies	
Postage	61.14
Office	94.04
Operating	213.88
Total Supplies	369.06
Total Expense	28,840.61
Net Ordinary Income	<u>6,114.53</u>