

Cordillera Valley Club Property Owners Association

MEMORANDUM

TO: Executive Board of Cordillera Valley Club Property Owners Association
FROM: Cheri Curtis
DATE: July 15, 2011

This memorandum shall serve as Notice of the Regular Meeting of the Executive Board of Cordillera Valley Club Property Owners Association, which will be held:

July 19, 2011
3:30 p.m.
Cordillera Metropolitan District
Administrative Conference Room
408 Carterville Road
Edwards, Eagle County, Colorado

The agenda for the meeting is attached. If you will be unable to attend this meeting, or will be attending the meeting by phone, please let me know as soon as possible. The conference call dial-in number is 800-747-5150 and the access code is 9266060.

Distribution:

<u>CVCPOA</u>	<u>Term</u>	<u>Officer Position</u>	<u>Committee Assignment</u>
Tim Benedickt	07/12	President	DRB
Tom Marcin	07/12	VP/Asst. Secretary	Safety & Operations
Art Greenfeder	07/13	Director	Finance & Administration
Bob Engleby	07/11	Director	
Kent Myers	07/11	Director	

Other Participants

Greg Perkins, Esq.
Ken Marchetti, CPA
Todd DeJong
Dan Carlson

CORDILLERA VALLEY CLUB PROPERTY OWNERS ASSOCIATION

NOTICE IS HERBY GIVEN that a meeting of the Executive Board of Cordillera Valley Club Property Owners Association will be held at the Cordillera Metropolitan District Administrative Conference Room, 408 Carterville Road, Edwards, Eagle County Colorado on Tuesday, July 19, 2011 beginning at 3:30 p.m., local time, for the following purposes and other matters that may come before the Board.

CVC POA Agenda July 19, 2011

- | | |
|---|------|
| 1) Call to Order/Declaration of Quorum/Director Qualifications | 3:30 |
| 2) Public Input – Property Owners Association Matters | 3:35 |
| 3) Minutes | 4:00 |
| a) CVCPOA Regular Meeting –June 21, 2011 | |
| b) CVCPOA Annual Meeting – July 5, 2011 | |
| 4) Administrative Matters | 4:05 |
| a) Accounts Payable POA | |
| 5) Financial Report (Marchetti) | 4:10 |
| 6) Update regarding ERWSD Acquisition of Tract W-2 | 4:30 |
| 7) DRB Report | 4:40 |
| 8) Projects | |
| a) Berm | 4:50 |
| b) Other | |
| 9) Other Property Owners Association Business | 5:00 |
| 10) Other Reports – (Info Only; No Action Necessary) | 5:20 |
| a) Other Financial Reports | |
| b) Real Estate Report | |
| 11) Upcoming Meeting Dates (Info only – no formal action necessary) | 5:25 |
| 12) Executive Session (If Necessary) | |
| 13) Adjourn Property Owners Association Meeting | 5:30 |

RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors of Cordillera Valley Club Property Owners Association June 21, 2011

A Meeting of the Board of Directors of the Cordillera Valley Club Property Owners Association, Eagle County, Colorado, was held June 21, 2011 at 3:30 p.m., at the Club at Cordillera conference room, located at 0101 Legends Drive, Edwards, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

Attendance

The following Directors were present and acting:

- Art Greenfeder
- Tim Benedickt
- Bob Engleby
- Tom Marcin
- Kent Myers (By Telephone)

Also in attendance were:

- Operations
Dan Carlson
- Robertson & Marchetti, P.C.
Ken Marchetti & Cheri Curtis
- Others
Frank Navarro
Mark Watson
Sarah Baker
Dennis Parker
John Clay
Stephen Smith
Rick Pirog
Debbie Shield (By Telephone)

Call to Order

The Meeting of the Board of Directors of Cordillera Valley Club Property Owners Association was called to order by Mr. Benedickt, noting a quorum was present.

Potential Conflicts Of Interest

Mr. Marcin reported that he is the principal owner of Marcin Engineering, LLC which provides engineering services to Cordillera Valley Club Metropolitan District and/or Cordillera Valley Club Property Owners Association. The Board noted that Mr. Marcin may participate in discussions related to services his firm may provides to CVC and may vote in such matters, in compliance with his duties to the Association.

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CORDILLERA VALLEY CLUB PROPERTY OWNERS ASSOCIATION June 21, 2011 Meeting Minutes

Mr. Myers reported that he is the owner of Airplanners, LLC, a consulting firm that provides services to Eagle Air Alliance. Cordillera Metropolitan District and Cordillera Property Owners Association have provided funding to Eagle Air Alliance and Mr. Myers works directly with Joe Wilson. The Board noted that Mr. Myers may participate in discussions related to services his firm may provide to CVC and may vote in such matters, in compliance with his duties to the Association.

The Board noted, for the record, that these disclosures are being made at this time with the intent of fully complying with laws pertaining to potential conflicts of interest.

Conference Call The log of public participation in the meeting for those participating in person and by phone is as follows:

Public Participation Log

Meeting Date	In Person	By Phone
01/18/11	7	3
02/15/11	4	1
03/15/11	10	1
04/19/11	8	1
05/17/11	7	2
06/21/11	7	1

Public Input Mr. Navarro requested the Board work to be dismissed from the WFP Lawsuit swiftly.

The June 15 deadline to call a special meeting to amend the covenants has passed on the Covenant Amendment and Mr. Navarro requested the organizers accept the fact that Property Owners are not interested in amending the Covenants. Mr. Greenfeder stated the proxies are good for eleven months and explained the committee has the ability to all a meeting within that time period to amend the Covenants. Mr. Watson stated he is hoping the Association will complete the Amendment of the Covenants and the PUD Amendment. The Board agreed it was no longer a Board issues.

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WFP Lawsuit

The CVCPOA was named as a defendant in the lawsuit filed by Wilhelm Family Partnership. The complaint has been turned over to Hall & Evans, the attorney for Board's D&O insurance carrier, Community Association Underwriters. Bob McCormick with Hall & Evans is representing the Association.

Members questioned the Association's liability insurance. It was reported there is a \$1 million D&O policy for the Association plus a \$1 million D&O policy per Board member. The Association is acting in a collaborative fashion with the other defendants. Mr. Navarro encouraged the Board to work for good of the community members. The Board agreed collaboration and communication are very important.

Financial Report

Mr. Marchetti presented the May 31, 2011 financial report. \$29,500 in RETA funds have been collected through May 31, 2011. There are no additional RETA funds expected for the remainder of 2011. The Board discussed the need to meet jointly with the Metro District Board to discuss the 2012 budget. The Board discussed reducing security to eighteen hours a day. The contract with Lone Star Security requires the District to give a sixty day notice to cancel the security contract to allow the District to negotiate a new contract with Lone Star Security. Mr. Engleby stated the Board needs to notify the District of their intent to no longer fund fifty percent of security as of September 1, 2011, allowing the District to provide a sixty day notice of cancellation of contract with Lone Star Security. Upon motion duly made and seconded it was unanimously

RESOLVED to have Mr. Marchetti notify CVCMD and Lone Star Security that the POA is providing the sixty day notice to terminate payment of the security contract.

The Board noted the DRB needs to be revenue neutral. The hope is that the DRB would see a positive cash flow.

The Association contributed \$24,000 to the Cordillera Property Owners Association for marketing. The Board discussed requesting a refund of the unused portion of the funds, in light of the economy. Mr. Pirog and Mr. Marchetti explained marketing affects more than the golf course.

Minutes

The Board reviewed the meeting minutes of the May 21, 2011 Meeting. Upon motion duly made and seconded it was unanimously

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CORDILLERA VALLEY CLUB PROPERTY OWNERS ASSOCIATION June 21, 2011 Meeting Minutes

RESOLVED to approve the meeting minutes of the May 21, 2011 Meeting as presented. The Board further reviewed the minutes of the May 26, 2011 Special Meeting. It was unanimously

RESOLVED to approve the minutes of the May 26, 2011 Special meeting as presented.

Accounts Payables

Mr. Marchetti reported he is working with Mr. Mauriello to make sure revenues match expenses. The general overhead expenses need to be addressed. Mr. Mauriello will attend the July meeting to discuss the DRB expenses. The Board suggested requiring a signed purchase order for all expenses, especially for DRB invoices. Mr. Marchetti will confirm the DRB Board members are providing direction to Mauriello Planning Group. Upon motion it was unanimously

RESOLVED to approve payment of the list of accounts payables as presented.

Mr. Benedickt stated the CVCPOA has signed the check VAg and is just waiting on the CVCMD to agree on an amount for the final payment to VAg, Inc.

Annual Meeting

Bob McCormick who has been hired to represent the CVCPOA in the WFP Lawsuit is currently out of town. In Mr. McCormick absence other attorneys from the firm have been representing the Association. Mr. McCormick is planning on attending the Annual Meeting to update CVC Property Owners on the status of the lawsuit. The CTC has also offered to attend CVCPOA Annual Meeting. Mr. Navarro stated he is opposed to supporting the CTC. Mr. Spencer stated he is in support of the CTC representatives attending the meeting.

Mr. Pirog reported Stewart Title and Land Title have both reportedly agreed to write title insurance on CVC properties. The lawsuit would be disclosed in the document.

ERWSD Acquisition of

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CORDILLERA VALLEY CLUB PROPERTY OWNERS ASSOCIATION June 21, 2011 Meeting Minutes

- Tract W-2** Mr. Marcin reported ERWSD will present the plans for Tract W-1 to the Board when completed. ERWSD is process of attempting to purchase Tract W-2 from the Association to meet building requirements on the site.
- DRB** The DRB report was included in the Board packet. Landscaping issues need to be addressed. The Board discussed the need to have letters sent to property owners who are in violation of the covenants.
- Berm** Prior to the filing of the lawsuit, the Association discovered there was an ability to build six out of ten sections of the berm on golf course property making the berm private, and not subject to all Eagle County requirements. Several Board members met with David Wilhelm and received a commitment from Mr. Wilhelm to allow the Association to construct the berm on golf course property. Once the lawsuit was filed, Mr. Wilhelm withdrew his commitment. Mr. Watson stated there could be an affirmative claim against WFP related to the promise to allow the Association to build the berm.
- West Gate Improvements** Mr. Carlson is working with Gallegos and B&B Excavating to complete the improvements at the west gate. Residents need to purchase RFID cards for all vehicles. The charge is \$15 for RFID window cards and \$40 for license plate RFID cards. Letters will be sent to all property owners explaining the process.
- Real Estate Report** The real estate report was distributed.
- Adjournment** There being no further business to come before the Board at this time, and upon motion duly made and seconded it was unanimously **RESOLVED** to adjourn the meeting of the Cordillera Valley Club Property Owners Association Board of Directors this 21st day of June, 2011.

Respectfully submitted,

Cheri Curtis
Secretary for the meeting

RECORD OF PROCEEDINGS

Minutes of the Member Meeting of Cordillera Valley Club Property Owners Association July 5, 2011

A Member Meeting of Cordillera Valley Club Property Owners Association, a Colorado non-profit corporation, was held July 5, 2011 at 9:00 a.m., at the Singletree Community Center, 1010 Berry Creek Road, Edwards, Eagle County, Colorado, in accordance with the Association's By-laws and the applicable statutes of the State of Colorado.

Attendance The following Directors were present:

- Tim Benedickt
- Bob Engleby
- Tom Marcin
- Kent Myers
- Art Greenfeder

Also in attendance were:

- See attached list

Call to Order The Member Meeting of the Cordillera Valley Club Property Owners Association was called to order by the President on July 5, 2011, at 9:00 a.m.

Declaration of Quorum According to the Bylaws of the Association, the presence in person or by proxy of ten percent of the total number of votes entitled to be cast at the meeting constitutes a quorum. Mr. Marchetti reported that 53 of 127 lots were represented either in person or by proxy so a quorum was represented at the meeting. It was reported for the record by Mr. Marchetti that proper notice had been duly sent on June 3, 2011 to all members of the Association in accordance with the requirements of the Bylaws.

Minutes Mr. Benedickt informed the members that the minutes from the December 28, 2010 annual meeting were distributed with the meeting packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes from the December 28, 2010 member meeting as presented.

President's Update Mr. Benedickt reported the community is going through a challenging time and encouraged community input. A finance committee has been established to deal with the economic downturn and the reduction in Real Estate Transfer Assessments. Residents are encouraged to be involved in

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Cordillera Valley Club Property Owners Association July 5, 2011 Member Meeting Minutes

the finance committee that consists of Art Greenfeder, Bob Engleby, Sarah Baker, and Barry Gassman.

WFP

Lawsuit

Mr. Robert McCormick has been retained by the Association's insurance company, Community Association Underwriters, to defend the Association in the litigation and Mr. McCormick attended the meeting to provide an update to the members of the Association on the status of the claim filed against the CVCPOA.

Berm Update

Mr. Marcin reported there has been a significant amount of dirt available and through discussion with the Wilhelms prior to the current litigation it was determined the berm could be built on the golf course property. The berm could be landscaped over time. An easement would not be required since in berm would be built on private property.

With the filing of the lawsuit, all discussions on the berm construction have been stopped. The other potential option would be building a noise mitigation wall on CDOT property but this has not been pursued in depth at this time. Mr. Judge questioned funding and the Board explained the costs were greatly reduced but a final funding structure has not been determined.

Kevin Douglas suggested planting trees that grow rapidly to provide noise mitigation.

Mr. Douglas questioned the determination of public/private land and Mr. Marcin indicated the wildlife fence is the dividing line.

West Gate Security Updates

Mr. DeJong gave an update on the new security system with improvements made at the west gate. With the new technology, Cordillera Valley Club now has the ability to operate the west gate independently. Lone Star Security now has the ability to control the cameras and call boxes at the west gate.

Residents presented issues with the RFID stickers. Mr. DeJong offered to work with residents to make sure the RFID transmitters are working properly for both gates.

Mr. Carlson reported he is meeting with Gallegos and B&B Excavating to schedule completion of the physical improvements at the west gate.

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Cordillera Valley Club Property Owners Association July 5, 2011 Member Meeting Minutes

- PUD Amendments** Mr. Mauriello reported the Cordillera Valley Club Planned Unit Development guide governs construction and density within CVC. Mr. Mauriello has been retained by the Association to amend and update CVC's current PUD Guide.
- DRB Report** Dominic Mauriello introduced his firm as the new DRB Administrators for CVC. Mr. Mauriello reported there have been no new construction plans submitted for approval but there have been several changes to existing properties submitted to the DRB for review and approval.
- Security** Mr. DeJong reported Lone Star Security is working with Eagle County on evacuation plans for CVC. Two new law enforcement personnel have been hired by Lone Star Security. There have been several encounters with wildlife.
- Mr. Billig stated Club members are parking on Legends Drive, creating safety and aesthetic concerns on Legends Drive. Mr. Billig requested the Board take action to prevent parking on Legends Drive. Mr. Greenfeder questioned whether there is an alternative parking location for Club employees. The Board directed Mr. DeJong to work with the CVC Metropolitan District on the Legends Drive parking issue.
- Operations** Mr. Carlson reported the staining of street signs and guardrails is being completed. Colorado Vegetation Management is treating the weeds. Mosquito spraying was completed on July 1, 2011.
- Mr. DeJong reported trash cans were already out today and trash service has been postponed a day, due to the holiday.
- Financial Report** In prior years combined financial reports for both the Association and the District were presented. This year separate financial reports have been presented for the Association and the Metropolitan District. Audited 2010 financial statements will be posted on the website, when completed.
- Mr. Marchetti reviewed the revenues and expenses. With the decrease in real estate transfer assessments, the anticipated revenues are forecast to be less than budgeted. The Association currently provides fifty percent of the funding for security.
- Julie Smith questioned the \$73,000 legal expenses in 2010. Mr. Greenfeder explained the Board questioned easement rights for the water tank construction and the Association was sued by Upper Eagle Regional Water Authority.

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Cordillera Valley Club Property Owners Association July 5, 2011 Member Meeting Minutes

Mr. Judge questioned how the Board is addressing the reduction in RETA funds. Mr. Greenfeder explained the Finance Committee is looking at each line item to determine where cuts can be made. Mr. Judge questioned the process and Mr. Greenfeder clarified the committee will make recommendations to the Board during the budgeting process.

John Messervey questioned the lighting update process. Mr. Marchetti reported \$20,000 was spent designing new lighting and poles. \$15,000 was spent for materials. Mr. Messervey also questioned the \$24,000 spent annually on marketing, in light of the golf course and WFP lawsuit. Mr. Greenfeder explained the \$24,000 is used for marketing all amenities and real estate throughout Cordillera, not just the golf course. The finance committee will also consider whether to fund marketing in 2012.

Real Estate Update Mr. Pirog distributed a real estate report that indicates real estate transactions county-wide are relatively consistent with 2010 property transactions. Specifically in Cordillera there were 46 transactions during the first six months in 2010 and 3 transactions for the same period in 2011. With the aura of insecurity from the lawsuit filed by WFP, realtors are reluctant to bring buyers to Cordillera. However, Mr. Pirog has received reports from the title companies that they are prepared to continue to issue policies for properties in Cordillera.

CTC Update Mr. Sims presented information on the lawsuit filed against CTC, CPOA, CVCPOA and several individual Board and CTC members. The information provided is available on the CTC website.

Wilner Lawsuit Mr. Chuck Jackson presented information on a lawsuit filed by certain Club Members to recover their dues and club membership deposits. Brett Heckman has been hired to represent the plaintiffs.

Two claims have been filed; one for breach of contract and one for misrepresentation (fraud) by not opening all facilities after promising to open the facilities if dues were paid. The plaintiffs are cooperating with the CTC lawyers. The court approved a restraining order against the Club to ensure that Club funds are only used to pay legitimate Club expenses. The restraining order has been extended until July 15, 2011. An amended complaint was filed to bring a class action suit that would include all paying Club members. Mr. Jackson reported if WFP files for bankruptcy, the plaintiffs can become a class of creditor in the bankruptcy.

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The Board asked to have representation from CVCPOA Board members. Mr. Jackson agreed and the Board appointed Bob Engleby and Art Greenfeder to represent CVC.

Ms. Shields questioned the insurance for the CTC. Ms. Baker reported the CTC obtained insurance from Chubb Insurance.

Dennis Parker thanked the CTC for their representation of Club members and property owners and the Board for funding the CTC. Mr. Parker is hoping that by working together, a solution will be achieved. Mr. Sims reported the CTC is in support of the Wilner Group Lawsuit.

Election of Directors

The Board terms of Directors Kent Myers and Bob Engleby are up for election. The meeting was opened for nominations and Mr. Kent Myers and Mr. Bob Engleby were nominated. There being no further nominations, the floor was closed to nominations. Upon motion duly made and seconded, it was unanimously

RESOLVED to reelect Mr. Kent Myers and Mr. Bob Engleby to three year terms each, which will expire in 2014.

Adjournment

There being no further business to come before the meeting, upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the Member Meeting of the Cordillera Valley Club Property Owners Association this 5th day of July, 2011.

Respectfully submitted,

Cheri Curtis
Secretary for the Meeting

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Members in Attendance:

- Sarah Baker 1914 Beard Creek Trail
- Stephen Bandak 0114 Wilmore Drive
- John Batts 1710 Beard Creek Trail
- Terry Benedickt 1770 Beard Creek Trail
- McKenna Berlanti 0119 Juniper Lane
- Joseph Billig 0289 Legends Drive
- Doug Blue 0280 Legacy Trail
- John Clay 1656 Beard Creek Trail
- Stanley Dickerson 0349 Legends Drive
- Allan E Dugan 0888 Beard Creek Trail
- Emilie Egan 0010 Sanctuary Lane
- Douglas Fields 1372 Beard Creek Trail
- John Forester 0297 Legends Drive
- Mr. Frigon 0201 Legacy Trail
- Catherine Gassman 1912 Beard Creek Trail
- Brian Judge 0106 Juniper Lane
- John Krueger 1793 Beard Creek Trail
- Michael Kass 0033 Legends Court
- Peter Kyle 0941 Beard Creek Trail
- Catherine Lyons 0218 Spring Creek Lane
- John Mayer 2 Lots Represented
- Robert Mellman 0013 Sanctuary Lane
- John Messervey 0322 Legacy Trail
- Joseph Morten 0235 Legacy Trail
- Dennis & Sue Parker 0006 Sanctuary Lane
- Rick Pirog 0335 Legends Drive
- S. Siegfried 0028 Legends Court
- Deborah & Robert Shields 0062 Elk Run
- Nelson & Janie Sims 0101 Fall Creek Road
- Steve & Julie Smith 0140 Juniper Lane
- Craig and Christy Smith 0094 Juniper Lane
- Paige Stensland 1458 Beard Creek Trail
- Mark Watson 0664 Beard Creek Trail
- Darrel Watters 0014 Sanctuary Lane
- Larry Wells 0025 Legends Court
- Paul Wible 0291 Legacy Trail

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Members Present by Proxy

- Jack & Judith Chain 0142 Spring Creek Lane
- Fred Conforti 2 Lots Represented
- Lawrence & Andrea Elliott 0614 Beard Creek Trail
- Elizabeth Kennedy 0130 Fall Creek Road
- Daniel Meyer 0321 Legends Drive
- William Mimeles 1916 Beard Creek Trail
- Roger O'Steen 2 Lots Represented
- David Raduziner & Diana Verrilli 0031 Pinnacle Point
- Keith & Leesa Samuels 0392 Legacy Trail

Others in Attendance:

- Robertson & Marchetti, P.C.
Ken Marchetti & Cheri Curtis
- Operations & Security Personnel
Dan Carlson & Todd DeJong
- Mauriello Planning Group
Dominic Mauriello

CORDILLERA VALLEY CLUB PROPERTY OWNERS ASSOCIATION, INC
JULY 2011 ACCOUNTS PAYABLE

Payables to be Approved

<u>VENDOR</u>	<u>DATE</u>	<u>DATE PAID</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>	<u>Approved By</u>
Berry Creek Metropolitan District	07/05/11	07/19/11	200.00	Annual Meeting Expense	Board at Meeting
Club at Cordillera	06/21/11	07/19/11	50.00	June Board Meeting	Finance & Administration Committee
Gregory Perkins LLC	06/22/11	07/19/11	88.50	Legal	Board at Meeting
	06/22/11	07/19/11	1,268.50	WFP Lawsuit	
Gregory Perkins LLC Total		07/19/11	<u>1,357.00</u>		
Mauriello Planning Group, Inc	06/30/11	07/19/11	2,665.00	PUD Amendment	Board at Meeting
		07/19/11	1,524.29	Plan Conversion	
		07/19/11	455.00	Fields Application	
		07/19/11	650.00	Hulsizer Application	
		07/19/11	260.00	Dugan Application	
		07/19/11	130.00	Elliott Application	
Mauriello Planning Group Total		07/19/11	<u>3,019.29</u>		
Robertson & Marchetti, P.C.	06/30/11	07/19/11	3,811.05	Accounting & Administration	Finance & Administration Committee
		07/19/11	(1,586.97)	Courtesy Discount	
			1,301.85	WFP Lawsuit	
	06/15/11	07/19/11	650.00	Income Tax Return	
		07/19/11	519.78	Office Expenses	
Robertson & Marchetti Total			<u>4,695.71</u>		
Current Accounts Payable Total			<u>11,787.00</u>		

ROBERTSON & MARCHETTI, P.C.

Certified Public Accountants

Accountant's Compilation Report

July 15, 2011

Board of Directors
Cordillera Valley Club Property Owners Association
Edwards, Colorado

I have compiled the accompanying balance sheet of Cordillera Valley Club Property Owners Association as of June 30, 2011 and the related statement of revenues, expenditures and changes in fund balance with budgets for the six month period then ended. I also compiled the accompanying budget and forecast of revenues, expenditures and changes in fund balance for the year ending December 31, 2011 and the preliminary budget for calendar year 2012, in accordance with standards established by the American Institute of Certified Public Accountants.

I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

As a consulting financial manager, I participate in the financial management of the Association. Management (with our participation) is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements. I have prepared these financial statements in my capacity as consulting financial manager for the Association.

My responsibility includes conducting the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management (with our participation) has elected to omit substantially all the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Association's financial position, results of operations and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

A compilation of a forecasted financial statement is limited to presenting in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. I have not examined the accompanying forecast and, accordingly, do not express an opinion or any other form of assurance on the forecasted statement or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected and those differences may be material. I have no responsibility to update this report for events or circumstances occurring after the date of this report.

I also compiled the accompanying 2010 historical financial statements of the Association and my report thereon stated that I did not audit or review those financial statements and, accordingly, expressed no opinion or other form of assurance on them. The report noted that management had elected to omit substantially all disclosures and the statement of cash flows, and if these omissions had been included, they might influence the user's conclusions about the Association's 2010 financial position, results of operations, and cash flows. Accordingly, the 2010 financial statements are not designed for those who are not informed about such matters.

I am not independent with respect to Cordillera Valley Club Property Owners Association because I perform certain accounting services that impair my independence.

ROBERTSON & MARCHETTI, P.C.



Kenneth J. Marchetti, CPA, President

**Cordillera Valley Club Property Owners Association
Balance Sheets**

For the Dates Indicated Below

Printed: 07/16/11

	<u>12/31/10</u>	<u>06/30/11</u>
Current Assets		
Cash - Unrestricted Portion		
Cash - Checking FBOA	26,333	31
Cash - Petty Cash Checking	1,606	0
Cash - Savings FBOA	150,849	189,660
Cash - Savings Wells Fargo	0	0
Cash - Restricted Portion		
Cash - Savings FBOA	20,500	20,500
Total Cash in Banks	<u>199,288</u>	<u>210,191</u>
Accounts Receivable		
Assessments Receivable	1,250	5,001
Due from CVCMD	0	0
Gate Damage Receivable	0	0
Receivable from Developer	0	0
Other Accounts Receivable	0	0
Allowance for Doubtful Accounts	0	0
Total Accounts Receivable	<u>1,250</u>	<u>5,001</u>
Other Current Assets		
Prepaid Expenses	2,403	0
Total Other Current Assets	<u>2,403</u>	<u>0</u>
Total Current Assets	<u>202,941</u>	<u>215,192</u>
Property, Plant & Equipment		
Equipment	0	0
Accumulated Depreciation	0	0
Total Property, Plant & Equip.	<u>0</u>	<u>0</u>
Total Assets	<u>202,941</u>	<u>215,192</u>
Liabilities and Fund Equity		
Current Liabilities		
DRB Deposits	20,500	20,500
DRB Deposits Contra Account	0	0
DRB Interest Payable	0	0
Deferred Assessments	0	0
Accounts Payable	24,081	11,787
Accrued Liabilities	0	0
Accrued Payable - SQMD	0	0
Petty Cash Clearing Account	0	0
Due To SQMD	0	0
Total Liabilities	<u>44,581</u>	<u>32,287</u>
Fund Equity		
Working Capital Contributions	63,300	63,550
Fund Balances	95,059	119,355
Total Fund Equity	<u>158,359</u>	<u>182,905</u>
Total Liabilities and Fund Equity	<u>202,941</u>	<u>215,192</u>
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See accompanying accountant's report.

Cordillera Valley Club Property Owners Association
 Statement of Revenues Expenditures and Changes in Fund Balance
 Actual, Budget and Forecast for the Periods Indicated

Printed: 07/16/11

	2010	2011 YTD			2011 Original Budget	2011 Annual			2012
	Actual Thru 12/31/10	Budget Thru 06/30/11	Actual Thru 06/30/11	Variance Favorable (Unfavor)		2011 Amended Budget	2011 Forecast Total	2011 Variance Fav (Unfav)	Prelim Budget
Operating Fund									
Revenues									
Regular Assessments	190,500	192,000	190,500	(1,500)	1,500	1,500	1,500	(1,500)	1,500
Special Assessments		0		0	192,000	192,000	190,500		190,500
RE Transfer Assessments	324,408	66,667	28,750	(37,917)	200,000	200,000	28,750	(171,250)	0
Design Review Fees	1,550	0	6,550	6,550	0	0	12,000	12,000	9,000
Club Impact Fee	27,938	29,056	28,457	(599)	29,056	29,056	28,457	(599)	29,056
Interest Income - Operating	1,047	600	532	(68)	1,200	1,200	1,200	0	1,200
Developer Settlement	59,272	0	0	0	0	0	0	0	0
Guidelines/Fines/Other Revenue	3,718	250	8,064	7,814	500	500	10,611	10,111	500
Total Revenues	608,433	288,573	262,853	(25,720)	422,756	422,756	271,518	(151,238)	230,256
Administrative Expenses									
Accounting, Admin & Management	34,500	18,000	17,911	89	34,500	34,500	34,500	0	34,500
Audit/Tax Prep Fees	0	650	650	0	650	650	650	0	650
Bank Charges	2,550	2,100	2,491	(391)	2,400	2,400	2,800	(400)	2,400
Community Marketing	24,000	24,000	24,000	0	24,000	24,000	24,000	0	24,000
Ins Expense, incl. D&O Liab.	2,403	2,625	2,403	222	2,625	2,625	2,625	0	2,625
Legal Fees	5,468	4,000	3,716	284	8,000	8,000	8,000	0	8,000
Legal Fees - Club Dispute		0	2,570	(2,570)	0	0	5,000	(5,000)	
Meeting Expenses	704	350	200	150	700	700	700	0	700
Office Supplies & Expense	3,279	750	2,026	(1,276)	1,500	1,500	2,200	(700)	1,500
Property Taxes	5,409	0	0	0		0	0	0	
PUD Admendment - MPG	0	0	15,303	(15,303)			17,000	(17,000)	
Total Administrative Exp.	78,314	52,475	71,270	(18,795)	74,675	74,375	97,475	(23,100)	74,375

See accompanying accountant's report.

**Cordillera Valley Club Property Owners Association
 Statement of Revenues Expenditures and Changes in Fund Balance
 Actual, Budget and Forecast for the Periods Indicated**

Printed: 07/16/11

	2010	2011 YTD			2011 Original Budget	2011 Annual			2012
	Actual Thru 12/31/10	Budget Thru 06/30/11	Actual Thru 06/30/11	Variance Favorable (Unfavor)		2011 Amended Budget	2011 Forecast Total	2011 Variance Fav (Unfav)	Prelim Budget
DRB Expenses									
DRB Submittals	3,602	0	9,961	(9,961)	0	0	12,000	(12,000)	9,000
DRB Minor Modification	4,899	0	0	0	0	0	0	0	0
DRB General Overhead	14,882	1,200	5,753	(4,553)	0	2,400	12,000	(9,600)	3,000
DRB Special Projects	4,941	0	0	0	0	0	0	0	
Transition from Vag			650	(650)	0	0	650	(650)	
DRB Plan Reduction Project			2,080	(2,080)	0	0	2,080	(2,080)	
DRB Guidelines Conversion			1,000	(1,000)	0	0	1,000	(1,000)	
Cov Enforcement-Design Guidelines	0	600	0	600	3,600	1,200	1,200	0	500
Rewrite DRB Guidelines		0	0	0		0	0	0	
POA Meeting Updates	5,341	1,200	1,300	(100)	2,400	2,400	2,400	0	2,500
DRB Storage	2,400	1,350	1,653	(303)	1,200	2,700	1,653	1,047	0
DRB - Directors Fees	1,425	1,125	0	1,125	2,250	2,250	0	2,250	0
Legal Fees	951	500	0	500	1,000	1,000	1,000	0	0
Total DRB Expenses	38,441	5,975	22,397	(16,422)	10,450	11,950	33,983	(22,033)	15,000
Public Safety									
Public Safety		0		0	4,000	4,000	4,000	0	0
Payment to MD for Public Safety	198,224	90,305	90,305	0	188,313	180,609	167,384	13,225	0
Total Public Safety	198,224	90,305	90,305	0	192,313	184,609	171,384	13,225	0
Community Operations									
Recreation/Fishing	2,724	2,750	4,312	(1,562)	2,750	2,750	4,312	(1,562)	2,750
Community Operations Bonus	5,100	0	0	0		0	0	0	
Landscaping - Turf Area Maintenance									16,960
Landscaping - Flowers Maintenance									30,750
Holiday Lights									8,723
Weed & Pest Control									10,000
Tree Care									6,668
Utilities - Water									8,000
Total Community Ops Exp	7,824	2,750	4,312	(1,562)	2,750	2,750	4,312	(1,562)	83,851
Capital/Project Expenditures & Xfers									
Water Tank Expenses-Engineering	7,281	0	0	0				0	
Water Tank Expenses-Architectural	20,448	0	0	0				0	
Water Tank Expenses-Legal G&H	61,683	0	0	0				0	
Water Tank Expenses-Legal S&H	11,138	0	0	0				0	
Recreation Path Requirement per PUD		0	0	0				0	
Open Space/Fishing Rights	0	0	0	0	0	0	0	0	0
Transfer RETA for operations	0	0	0	0	0	0	0	0	0
Berm Construction Oversight		0	8,864	(8,864)		10,000	10,000	0	
CTC and CCAC Funding ⁽¹⁾	15,272	30,252	11,410	18,842	130,000	72,605	11,410	61,195	0
Transfer RETA for Capital	57,000	30,000	30,000	0	20,000	30,000	30,000	0	
Total Capital Expenditures	172,823	60,252	50,274	9,978	150,000	112,605	51,410	61,195	0
Total Expenditures	495,626	211,757	238,557	(26,801)	430,188	386,289	358,564	27,725	173,226
Excess of Revenues over Exp. After Capital	112,807	76,816	24,296	(52,520)	(7,432)	36,467	(87,046)	(123,513)	57,030
Beginning Fund Balance	(17,748)	84,265	95,059	10,794	122,247	84,265	95,059	10,794	8,013
Ending Fund Balance	95,059	161,081	119,355	(41,726)	114,815	120,732	8,013	(112,719)	65,043

See accompanying accountant's report.

(1) While this item is being budgeted, it is not authorized for expenditure without further approval of the Board.

**Cordillera Valley Club Property Owners Association
DRB Revenue / Expenses**

	Revenues	Fines	Expenses	Net
Elliott	1,250.00	5,000.00	5,720.00	530.00
Gassman	0.00	0.00	162.50	-162.50
Leach	600.00	0.00	845.00	-245.00
Brown	250.00	0.00	260.00	-10.00
Hulsinger	2,100.00	0.00	975.00	1,125.00
Fields	2,300.00	0.00	1,495.00	805.00
Legends	50.00	0.00	48.75	1.25
Dugan	0.00	0.00	260.00	-260.00
Totals	6,550.00	5,000.00	9,766.25	1,783.75



**POA Update
DRB Administration**

TO: CVC POA Executive Board

**FROM: Mauriello Planning Group, LLC
Dominic Mauriello, AICP
Allison Kent, AICP**

DATE: July 11, 2011

RE: Administration Activities in June/Other Projects



Action Items:

- Revised Fee Proposal. If you are in agreement with the revised fee proposal, we will begin that August 1, 2011. See attached proposal.
- Sale of storage boxes. See plan scanning below. Should MPG attempt to sell these boxes for approximately \$200 online (at no cost for sale)?

New/Pending Applications:

- None.

Compliance Deposits:

- Working on refunding/resolving all other deposits including:
 - Just/Hulsizer - Lot 1, Filing 2 of \$5,000 for landscaping - 2009 (to be applied to new project approved in June 2011)
 - Plumb - Lot 9, Filing 4 of \$500 - 2008

Valid Approvals (not actively constructing):

- Lot 18, Filing 9 - Morten Residence - Final approval expires July 13, 2011 (applying for extension)
- Lot 19, Filing 2 - Fields Residence - Revised approval expires June 22, 2012
- Lot 1, Filing 2 - Hulsizer residence - sports court addition expires June 22, 2012
- All other projects have expired and are required to re-apply under current guidelines
- See attached list for active construction projects

DRB Administration:

- Design Guidelines: The DRB is working some minor changes to the Design Guidelines based on the change in administration. They will likely adopt changes in July or August depending on if there is anything else on the agenda. MPG is not billing CVCPOA for these final changes.
- Plan scanning: Rocky Mountain Reprographics has completed the scan project and it came well under budget. This project was approved for \$2,060 but was completed for \$1,524.29. Now all of the historical plans are in PDF format. For security of homeowners, we are not posting these plans online. This eliminates the need to ever pay for storage of plans or boxes to store plans. We still have the empty boxes that cost the CVCPOA approximately \$644. I am not sure the POA will ever need these boxes in the future. I could try to sell them online for about a third of their value and credit that back to the POA.

Special Projects:

PUD Amendment

- An application submittal was completed by MPG addressing all of the County's criteria for an amendment to the PUD guide.
- A revised Preliminary Plan Map was developed and included with the PUD Guide.
- The application was submitted to the County in May.
- The County has referred the application to neighboring property owners and other agencies in July. Hearings are likely in late August or September.



DRB Administration

TO: CVC POA Executive Board

FROM: Mauriello Planning Group, LLC
Dominic Mauriello, AICP
Allison Kent, AICP

DATE: June 23, 2011

RE: Revised Fee Proposal



In response to the concerns of the POA with regard to budgetary issues, Mauriello Planning Group, LLC would like to offer the following revised fee proposal, amending our previous contract. We understand it is ultimately the desire of the POA to have the DRB Administration to operate in a revenue neutral position. During robust development periods and with adequate fees, we believe this is an achievable goal. We offer the following proposal:

- I. MPG will operate the DRB administration by collecting application fees and fines directly from applicants/owners. MPG will not bill the POA for any activities related to the review, approval, and management of all development projects. The application fees will cover all of these activities. Additionally, this includes all DRB meetings, POA update memos, and attendance at 6 monthly POA meetings and one annual meeting at no additional cost.

In recognition of this change, the POA supports MPG aggressively “staff approving” projects, excluding new home development, but including reasonable additions to homes, landscape changes, etc., even when located outside of the building envelope.

Additionally, the POA agrees that projects that take excessive periods of time to complete (i.e., beyond 1.5 years) may be billed additional time which may be deducted from the compliance deposits.

All fees charged or fines imposed will be reported to the DRB and POA so that there is transparency and accountability for fees charged.

Compliance deposits would still be held by the CVCPOA c/o Robertson and Marchetti.

This new fee arrangement does not include special projects that may be authorized from time to time by the POA (such as the PUD Guide amendment).

2. General calls and other activities, unrelated to specific projects will be billed as a flat monthly fee of \$600 per month. Many of the calls we get are unrelated to a specific project or do not result in an application that provides fees in accordance with #1 above. This flat fee will cover all of these miscellaneous activities. Once robust development activities resume, there should be adequate fees to cover these activities and this fee can be revisited.

We are ready to implement this revised fee proposal July 1, 2011. We will also be able to provide a full accounting of our activities on a monthly or bi-monthly basis.

Cordillera Valley Club Property Owners
A/R Aging Summary
As of July 16, 2011

	<u>TOTAL</u>
F1 L22 - O'Hara	1,735.95
F2 L11 - Spring Creek Place LLC	1,610.95
F6 L14 - Apple	43.64
F7 L06 - Hermes	1,610.95
TOTAL	<u><u>5,001.49</u></u>

**CORDILLERA VALLEY CLUB
METROPOLITAN DISTRICT
AND PROPERTY OWNERS ASSOCIATION
2011 Meeting Schedule**

The Regular Meetings will be held on the 3rd Tuesday of every month at the Cordillera Metropolitan District
Administrative Offices, 408 Carterville Road, Edwards, CO

The Metropolitan District will meet at 2:00 p.m. unless otherwise notified

The Property Owners Association will meet at 3:30 p.m. unless otherwise notified

Month	Meeting	Date
July	POA July Member Meeting (9:00 a.m.)	July 5, 2011
July	Regular Meeting (3rd Tuesday)	July 19, 2011
August	Regular Meeting (3rd Tuesday)	August 16, 2011
September	Regular Meeting (3rd Tuesday)	September 20, 2011
October	Regular Meeting (3rd Tuesday)	October 18, 2011
November	Regular Meeting (3rd Tuesday)	November 15, 2011
December	Regular Meeting (3rd Tuesday)	December 20, 2011
December	POA December Member Meeting (9:00 a.m.)	December 27, 2011
January	Regular Meeting (3rd Tuesday)	January 17, 2012
February	Regular Meeting (3rd Tuesday)	February 21, 2012
March	Regular Meeting (3rd Tuesday)	March 14, 2012
April	Regular Meeting (3rd Tuesday)	April 18, 2012
May	Regular Meeting (3rd Tuesday)	May 16, 2012
June	Regular Meeting (3rd Tuesday)	June 22, 2012

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 Indicates Holiday

 Indicates Meeting