

## **CELADON II ANNUAL HOMEOWNER'S MEETING MINUTES 07/25/09**

The 2009 annual member's meeting was called to order by Monte Miller, President at 10:00 a.m. at The Glacier Club, Durango, CO 813001. By actual attendance and via proxy a 100% quorum was obtained as follows:

In attendance were Monte and Sally Miller, Lot 21, Bryan Hondru, Lots 11 & 24; MacDonald and Diane Becket, Lots 7, 14 & 20; Brian Clark, Lot 15; Susan Jancar, Lot 13; Carl Adams, Lot 12; Jerry and Suzanne Blumberg, Lot 19; Kathy Gates, Lot 18; C.D. and Mirra Dickson, Lot 8.

By Proxy, Ed Miccolis, Lots 22 & 23; Mesch, lot 9; Ward Wilson, Lot 10; Bob Daniels, Lot 25; & Kris Kringel, Lot 17, all of which were delivered to Monte Miller. Mark Williams, Lot 16 gave his proxy to Brian Clark.

The reading of the July 2008 minutes was waived by unanimous vote.

A review of the '09 (6 month) actual revenue and expenses was presented by Bryan Hondru and showed that 85% of the expense line items were down when compared to the same period in '08. The net amount of the money available for deposit in the "Annual Reserve" for the first six months of '09 was approximately \$15,000. The budget for the calendar year 2010 was reviewed. It assumed no increase in the current \$650 per month per lot owner assessment. A motion was made by Jerry Blumberg and seconded by Carl Adams, to accept the budget as proposed. The motion passed unanimously.

**Page 2 – Celadon II H.O. Meeting 07/25/09**

The Manager's salary and bonus were discussed. Grant's effectiveness as a Manager is the main reason behind the lower expenses than budgeted during the first six months of 2009. Don Becket moved and Kathy Gates seconded a \$1,000 bonus now and a \$2,000 bonus at Christmas. It was asked that an explanation be made to Grant that the bonus is not a yearly guarantee.

Don Becket's attorney, David Smith gave a presentation on Celadon II historical issues.

First concerning water rights: Originally, Class A shares in the Ditch Company were to be to all lot owners as respects overall Celadon II water rights and Class B shares just to the five Becket Lake lot owners. The New Proposal is for just Class A shares to be distributed, five shares to the five Becket Lake lot owners and (10) A shares to the remaining lot owners with no shares to Lot 17. The Board of the Celadon II Ditch Company is Don and Diane Becket and Monte Miller.

The next subject addressed by David Smith was the Manager's house, currently on Lot 14, which is owned by the developer, Don Becket. Lot 14 was to "carve out" three acres for the Manager's house under a 99 year lease. The Celadon II POA was to own the house on the leased land. LaPlata County did not approve the land lease arrangement in 2007 because the road did not meet County standards. With support from the Fire Marshall regarding Celadon II's roads, the County still required a variance to

**Page 3 – Celadon II H.O. Meeting 07/25/09**

allow for a ½ acre land lease on the expanded Lot 14, generated by shifting three acres from Lot 7 (owned by Don Becket). The three additional acres can be purchased from a non-Celadon adjacent land owner.

Susan Jancar inquired as to the status of the current mortgage that Don Becket is carrying personally on the original construction of the current Manager's house. (Celadon II lot owner's are now leasing , via a verbal lease, the Manager's house by paying the monthly principle and interest to Don Becket who, in turn, pays the Zion Bank the mortgage interest and principle.) The mortgage is currently on a floating rate basis @ 2.25 points over Libor. If the Celadon II POA ever gets ownership of the Manager's house it would find it difficult, if not impossible, to get a mortgage unless Don Becket continued to guarantee it personally. The original loan was for approximately \$400,000 and the principle is currently approximately \$380,000. The Celadon II POA requested a letter from Don Becket regarding the current house verbal lease agreement, that the principle that has and will continue being paid by the POA be credited to the POA.

Homeowner's/Lot Owner's may use Grant, when he has time, to perform personal work by paying him directly at \$15/hour.

**Page 4 – Celadon II H.O. Meeting 07/25/09**

The next motion, which was moved by Kathy Gates and seconded by Susan Jancar, was approval of the renewal of a \$1,000 per lot maximum “Emergency Assessment” if approved by a majority vote of the Executive Committee. The motion was carried by (18) “yeses” and one “no” by proxy.

The next item was election of officers for 2010. Don Becket moved and Susan Jancar seconded that the current officers be retained. It was approved unanimously.

It was discussed that the POA would again like to lease a Bobcat snowplow/bucket for the 2009/2010 winter and, if necessary, hire contractors to help Grant remove exceptionally heavy snow accumulations that the POA’s equipment cannot handle.

Kathy Gates moved the preceding as a motion and Susan Jancar seconded, subject to the Executive Committee’s discretion as to which contractor(s) to use when and if necessary. The motion was unanimously approved.

Lot owners were reminded of the County noxious weed control regulations. Grant can be hired to spray these weeds on each lot owner’s land or the landowner can hire a private firm or spray the weeds themselves.

The meeting was adjourned at 12:00 noon.

**Page 5 – Celadon II H.O. Meeting 07/25/09**

Sincerely,

Bryan C. Hondru

Secretary/Treasurer

P.S. Thanks to Kathy Gates for taking the notes during the meeting which served as a basis for these minutes.