

**PANORAMA RANCHES HOMEOWNERS ASSOCIATION
ANNUAL HOA MEETING OF THE MEMBERS
Thursday, November 17, 2016 at 6:00 pm**

AGENDA

- I. Call to Order
- II. Roll Call, Verification of Notice and Quorum
- III. Introduction of Current Board Members
- IV. Approval of 2015 Annual Meeting Minutes
- V. ACA Report
- VI. Water Operator's Report
- VII. Treasurer's Report
- VIII. Water Committee Report
- IX. Budget Review
- X. New Business
 - a) Plat Amendment/Land swap lot 35
 - b) Bylaw amendment regarding annual meeting date

Current: Article IV.- Administration- Annual Meetings- "The annual meeting of the members shall be held between January fifteenth and February fifteenth of each year or at such other time as the members by majority vote may approve. At such meeting, members shall be elected to the Board in accordance with the requirements set forth herein. The members may also transact such other business of the Association as may properly come before them."

Proposed: Article IV.- Administration- Annual Meetings- "The annual meeting of the members shall be held annually and noticed as required in these bylaws. At such meeting, members shall be elected to the Board in accordance with the requirements set forth herein. The members may also transact such other business of the Association as may properly come before them."

- XI. Old Business
- XII. Board of Directors election
- XIII. Adjourn

Panorama Ranches

Draft only-RECORD OF PROCEEDINGS-draft only
Annual minutes are approved at the following annual meeting

2015 ANNUAL MEETING

January 30, 2016 Missouri Heights Schoolhouse

CALL TO ORDER

The 2015 Annual Meeting was called to order at 6:00 p.m., by Board president Susan Burr. She reviewed the guidelines for speaking at the meeting, and then introduced Association Manager Keith Edquist to call the roll.

ROLL CALL, NOTICE and QUORUM

Mr. Edquist stated that Notice of the meeting had been mailed to all owners. He then called the roll. There were 22 owners present and 6 proxies, making a total of 32 owners' votes represented, of the 56 lots. Those who have more than one vote because of proxies or multiple lots were noted on the roll call form and in the totals above. Keith stated that a quorum of owners was present and that business could be conducted. Director Hall then made a motion to approve the minutes from the last annual meeting held January 17, 2015, which was seconded and passed. These approved minutes of the annual meeting for 2014 have been posted to the website.

INTRODUCTIONS AND CALL FOR CANDIDATES

President Burr introduced the present Board of Directors. She said that with the retirement of Director at Large Wayne Hall, there is need for a new director. She asked for owners interested in joining the Board and said the Election of Directors would come later in the meeting.

President Burr took a moment to review the activities of the Board and the Water Committee:

- Susan thanked the members of the Water Committee for the research and work they had done in examining options for the repair/replacement of the Sunlight Drive section of the water line. Water Committee members are Chair Ted Diamondopoulos, Davis Farrar, Rob Tobias, Lance Quint, Craig Heydenberk, Don Edmonds, and Tom Flynn.
- She thanked Wayne Hall and Doug Cernonok for providing their homes for the board meetings throughout the year. She thanked those owners who attended the emergency meeting at Wayne Hall's home last spring concerning the Sunlight Drive break and the discussion of video inspection of the Sunlight pipeline for 150 feet in either direction. Lastly, she thanked Wayne Hall and Tom Flynn for hosting two Q&A meetings for interested homeowners concerning potential remedies for the Sunlight Drive water line replacement
- She thanked Board Treasurer Christine Kroening for streamlining assessment payments and financial reports, and Secretary Doug Cernonok for updating the owner's contact lists. She said also that minutes and financials are now more rapidly posted on the association website.
- She thanked those owners who got out and sprayed for thistle this past summer, and noted the HOA had been reimbursed by the county for a portion of the expenses incurred.

At this point President Burr asked for a show of hands for those in favor of having the open space weed control done from atvs versus persons carrying backpack sprayers. There were comments for and against the use of ATVs to attack the problem, and similar comments related to backpack sprayers. A second call of the question and show of hands resulted in a 26 to 4 vote in favor of having weed control done by applicators with backpack sprayers. Owner Farrar offered to go out this spring and locate by GPS various weed hotspots, and then provide that information to the applicators. There was general agreement

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that the spraying needs to be done by May, and that a second application might then be necessary later. There was a request to have the adjacent 46 acre property reported to Garfield County for spraying early on as well.

ACA REPORT

President Burr then introduced the Chairman of the Architectural Control Authority for Panorama Ranches, owner Ben de Sugny. Ben made a brief report regarding working with potential lot buyers, assisting with property reviews, and thanked departing ACA members Janver Derrington and Doug Lassiter for their contributions. He said the ACA meets the first Thursday of each month if there is business for them to conduct, and asked owners contact him no later than a week in advance should they have questions, requests, or projects for review. When there are projects, Ben said he worked with management to get out to all owners the "Notice of Change of Status to Property". Members of the Architectural Control Authority (ACA) are: Frank Kroening, new owner Lucas Rains, David Zamansky, Ben de Sugny, and Hans Brucker.

WATER OPERATOR'S REPORT

President Burr introduced owner and Water Operator Davis Farrar to present the water report, and recap his activities in regard to the water system in the last year. He reported the installation of a water valve at the Sunlight Drive corner, and re-discovery of a buried valve at Buck Point Road. These allow shut down of portions of the water system should leaks develop, without complete shutdowns of the system that would affect all owners.

Davis displayed a graph of water use by month over the period of January 2014 to January of 2016. Line breaks on Sunlight were traceable on this graph. He said there were no issues with Panorama's water quality in 2015, but went on to say that the Colorado Department of Health and Environment (CDPHE) will be conducting a survey and inspection of the Panorama water system this coming May. He said he had arranged to conduct a trial inspection with CDPHE this March, in order to be prepared for the real thing in May. He said there is a new state requirement for a greater parts per million (PPM) concentration of chlorine in the water, but that the present methods of so protecting the Panorama system's water meets or exceeds the new standard.

Davis also noted that individual owners must have a proper backflow device installed on their home systems, and that this device is to be inspected annually (this is already a requirement for all homeowners). He said there would be an email survey conducted to which all owners will need to respond regarding backflows, again required by CDPHE. This will be a Board led project this late winter into spring.

He said the Board had purchased a warning light for both the tank and pumphouse. The tank also has an audible alarm. He asked that he be called anytime 24/7 if owners hear the alarm on the water tank. Director Hall said owners should contact him, Davis, any Board member or management for either audible alarms or flashing lights on the tank or the pumphouse. Either is indicative of problems with the water system, and consequently very important.

TREASURER'S REPORT

President Burr introduced Board Director and Treasurer Christine Kroening. She introduced accountant Kim Clinco and provided an overview of changes made this year in handling assessment payments, bank statements and website postings of financial information. She said that the Board minutes and the redesigned financial reports are posted to the website, usually within 2 weeks of review. Minutes now contain a summation of the bank balances as of a particular date. As of the date of this meeting, the account balances were:

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TREASURER'S REPORT-cont.

Operations Account \$15,663.58
Clearing Account \$ 283.72
Reserve Account \$ 54,373.27

Christine said the clearing account was established to allow operational assessments and reserve assessments to be separated and more quickly moved into the proper accounts. In addition, assessment payments are now sent directly to the accountant's POB 72, Snowmass Colorado 81654. This has facilitated payment reporting; the new payment address is included on the quarterly statements. She also noted that online banking is in use for review of the account status on a more frequent and immediate basis.

Accountant Clinco then went through the balance sheet and profit and loss (income) statements. There were questions regarding the Repair line item expenses and those charged to Reserves, as well as the Reserve fund balances at the beginning and end of 2015. These matters were satisfactorily resolved in discussions.

President Burr then called on owner Tom Flynn to provide the Water Committee's report.

WATER COMMITTEE REPORT

Tom Flynn had prepared a Power Point presentation for use in the meeting, outlining the recommendations of the Water Committee to the Board for the repair/replacement options for the Sunlight Drive water line. The Water Committee was established at the 2014 annual meeting.

The committee had examined the various methods and costs of replacement of the Sunlight section of water main, and had concluded that a 'compression' method would be most effective. This would pull a new pipe through and inside the existing pipe, minimizing street repairs while still providing sufficient water flow for fire fighting at the end of the line. Tom said that \$87,860 had gone to fixing about 120 to 140 feet of the 1400 foot Sunlight main over the last four years.

There followed questions about the costs of video inspecting of the interior of the rest of the line, (since only 150 feet either way from the recent breaks could be done with locally available equipment), the possibility of only replacing a part of the line where the leaks seem to be recurring, the inability of video to see the outside of the pipe and how it is bedded etc. These discussions were extended in length. The membership was mailed, and was emailed twice, a flow chart outlining a decision process for proceeding with this extremely important question regarding the water system. This too was displayed (flow chart is a part of these minutes-Exhibit A), with questions and comments regarding what might happen with or to the rest of the nearly 15,000 linear feet of the water system if \$90 to \$160 thousand dollars were to be spent just on this Sunlight Drive section.

Of the options displayed one was to continue the recent practice of hoping for the best and paying for line break repairs as they occur. Owner Karen Cox made a motion to continue this methodology and hope to build reserves without any more breaks, which motion was then amended by Rob Tobias to include video of the line, should a break occur, to a point at which the line is 'good' (i.e.- without visible interior faults). This amended motion was accepted by Cox, seconded by owner Davis Farrar, and subsequently passed by the membership 18 votes to 15, including those voting by proxy. This obviated any need for a vote on payment options for line replacement, concluding Mr. Flynn's presentation. President Burr then called for discussion of the proposed budget for 2016.

BUDGET REVIEW

The draft budget having been sent out with the meeting mailing, there was a motion made by Davis Farrar to accept the budget as proposed, including the continued level of reserve assessments established last year. Treasurer Kroening seconded and the motion passed without dissent. This budget will

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be posted to the website. Farrar made a request that 'actuals' for prior years be shown on future budgets, instead of the approved budget figures.

NEW BUSINESS

The next order of business concerned a bylaw revision. Text of this had also been provided in the mailed meeting materials and was available at this meeting. Owner Farrar made a motion to amend the bylaws as presented. Discussion followed in regard to the pumphouse on owner Damke's property, and Davis amended his motion to state that "structures owned by the HOA will not count against an individual owner's outbuilding count". This amended motion was seconded by owner Lance Quint. Owner David Zamansky, a member of the ACA and the owner who brought this issue forward last year, said the language was 'not clear' and not what he expected in the amendment. The question was called and the bylaw amendment was accepted by a vote of 19 to 11, proxies again included.

Owner Rob Tobias said the Hunt Ranch property had been sold, and reminded owners and the Board of possible need of private funds to oppose unfavorable development there. Little is known of the buyer's plans for the property at this time.

BOARD OF DIRECTORS

Secretary Doug Cernonok opened the floor to nominations for the Board of Directors. Owner David Thiel, having taken an active roll in tonight's meeting, was 'urged' to become a Director, and accepted. He was elected by acclamation, there being no other nominations. Bylaws state that Directors terms are to be "a minimum of two years and they are to serve until their successors are duly elected by the members of the association at the expiration of the term". The new Board consists of Doug Cernonok, Susan Burr, David Thiel, Jonathon Schuss and Christine Kroening. The Board will set its officers for 2016 at its next meeting.

OLD BUSINESS

President Burr reminded owners that barking dogs are in violation of the Protective Covenants for Panorama Ranches. Section 2, paragraph C states "household animals are permitted with consideration of the following concerns; minimization of noise" and that "Removal of animals is at the discretion of the Board". The Protective Covenants are available online at panoramaranches.org for reference.

ADJOURNMENT

The Annual Meeting was adjourned at approximately 8:40 p.m.

Respectfully submitted

Keith Edquist, EMRE LLC, Association Manager

PANORAMA RANCHES OWNERS ASSOCIATION, INC.

Susan Burr, President

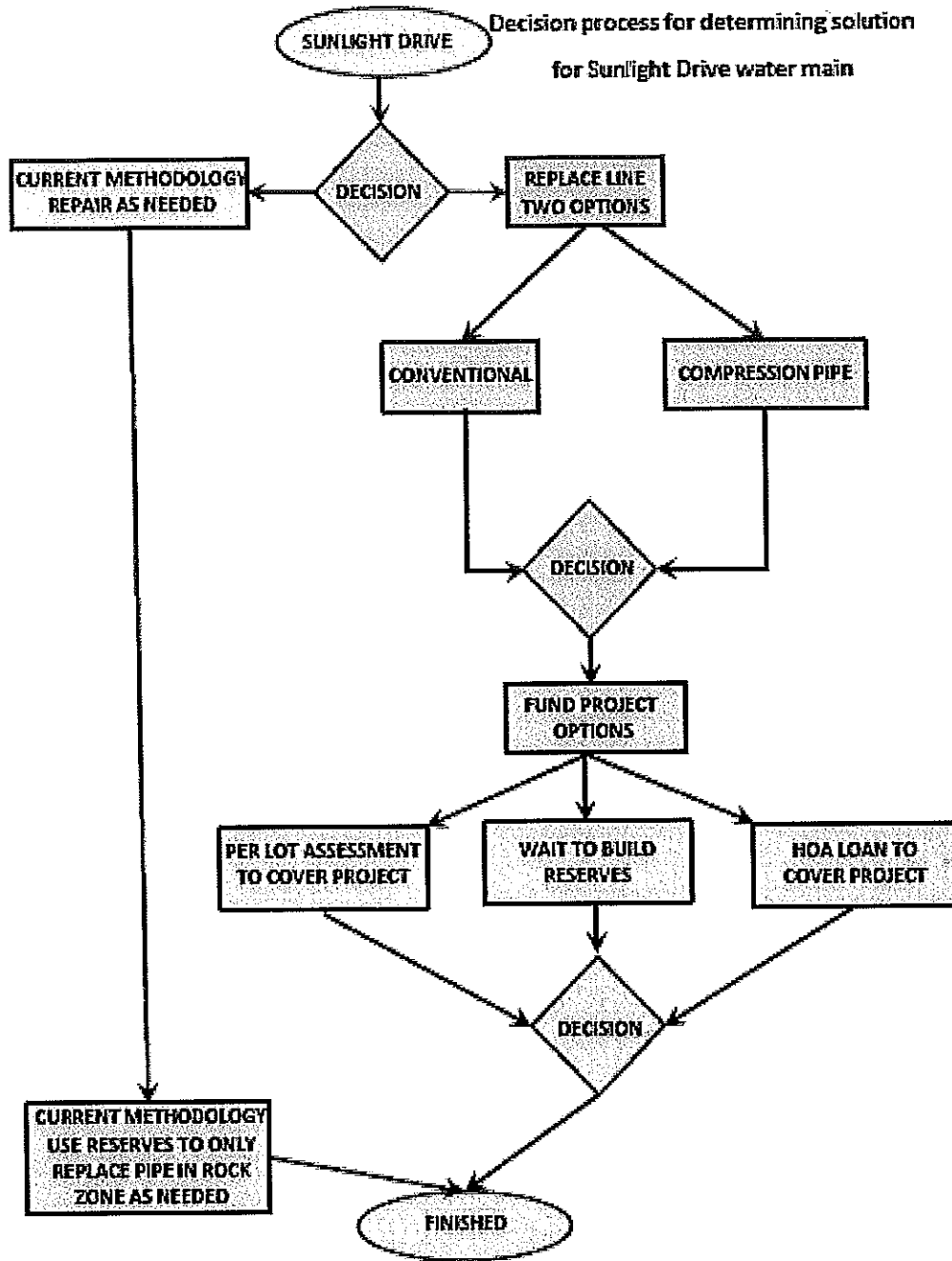
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Exhibit
A



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PANORAMA RANCH HOA SUNLIGHT DRIVE WATER MAIN DILEMMA

This past year a number of different technologies were explored and reviewed to address the ongoing pipe failures and resulting repairs on Sunlight Drive. What follows is a summation of that work and represents the most cost effective and durable proven options to consider.

- **Current Methodology (repair as needed)** ○ Repair

- Pros • Less up front cost
- Maybe no more breaks
- Current assessments may cover repairs and reserve growth
- Cons • Uncertainty
- Possible multiple breaks
- Possible high cost over long term
- Excessive repairs will deplete reserves

- **Replacement options** ○ **Compression Pipe**

- Pros • Reliable water main removing future uncertainty from that line
- Least expensive \$87k - \$91k**
- 50-100 year life span of pipe w/ two year labor warranty
- Minimal upset to terrain i.e. least amount of asphalt repair or disturbed soil
- Minimal holes in asphalt (two) for reconnection of existing service lines
- Cons • Pipe and service connections remain under asphalt
- Installation is intrusive to select home owners and their property
- **Unknown pipe conditions may increase costs substantially due to existing pipe deterioration requiring additional excavations to complete project. Each additional excavation will cost approximately \$6000.
- Reduces line to five inches, but flow test by CRFD will maintain adequate flow to fire hydrant at cul-de-sac.

- **Conventional** (new pipe bedded on north side of road)

- Pros • Reliable water main removing future uncertainty from that line
- Pipe and service connections moved from beneath asphalt to right-of-way
- New PVC C900 line w/ up to 100 year life span
- Minimal trenches in asphalt (two) for service lines and one at fire hydrant

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- Cons • Expensive \$145k** - This is a base cost if no rocks are encountered. Rock clause in contract potentially could mean higher total project cost.
- Damage to terrain and foliage

• Funding Options ○

Assessment

- Pros • Project complete and paid for
- Cons • Some owners may not be able to pay
- High cost up front (\$2000 to \$3000 per lot owner)
- Current owners carry the full burden

○ Loan

- Pros • Low up front cost
- Current low interest rates
- Spreads burden over current and future owners
- Current reserve assessments are adequate to cover loan
- Allows continued reserve growth
- Cons • Long term financial burden on HOA
- Higher quarterly assessments for life of loan
- Higher assessments may compromise ability of current owner to sell their property.

○ Wait To Build Reserves

- Pros • No up-front cost
- Maybe no more breaks
- Current assessments may cover project
- Cons • Uncertainty
- Possible breaks during waiting period resulting in postponement of project
- Cost to do the project will increase each year

The *Current Methodology* approach would continue to replace sections of pipe along with suspect adjacent sections as needed until all pipe in the problem rocky area of Sunlight Drive has been replaced. With each break, a push camera would be utilized to inspect up to 150 feet of line both upstream and downstream from the break to assess the adjacent pipe. The per foot cost with this approach is likely the highest of the three alternatives outlined herein. Thus far, these expenses have been covered by our current assessments. A modification of our present methodology could be to replace pipe at the point of a break in

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the rocky area (where recent breaks have occurred) to include all pipe upstream and downstream between previously replaced and properly bedded sections of pipe. The goal will be to ultimately replace the entire original pipe in the rocky stretch of Sunlight Drive. The *Conventional* pipe replacement would involve excavating a new trench on the North side of Sunlight Drive in the right-of-way and laying a new C900 series 6" PVC line from the gate valve at the intersection of Sunlight and Elk Run 1400 feet west to the fire hydrant at the cul-de-sac. Asphalt cuts would be made at the existing curb stops and at the fire hydrant. The quote for this work includes a "rock clause" which is an unknown variable that could affect the final cost of the project.

The *Compression Pipe* methodology utilizes electro-fusion welded HDPE pipe to replace the existing PVC pipe. This process leaves most of the existing PVC in place and pulls a smaller diameter (5") HDPE line through the pipe resulting in one continuous pipe with no hub/gasket or solvent welded joints and fusion welded saddles at taps for laterals in lieu of mechanical attached saddles used on PVC lines. This material is flexible and more resilient to both compression and poor bedding issues. The installation is achieved by compressing the new pipe by pulling it through a series of rollers before it enters the open end of the old pipe. A cable pulls from the opposite end of the line (1400 ft. away) and drags the new line all the way through the old pipe in one continuous pull. Afterwards the saddle taps are fusion welded to the line where needed. A temporary water supply is planned to provide the four existing homes with non-potable water for toilets, showers, and wash during the process which is estimated to take 1 to 2 weeks to complete. The risk<>reward factor associated with the Compression Pipe process is the unknown factor of the installation requiring additional asphalt cuts. The cost estimate per each additional asphalt cut is approximately \$6,000. Given the \$60,000 difference in the cost of the compression pipe methodology, relative to a conventional methodology, the compression pipe approach has an economic risk window of up to ten (10) of the \$6,000 "bumps" before equaling the base price for conventional replacement.

PANORAMA RANCHES

Balance Sheet

November 17, 2016

Accrual Basis

As of October 31, 2016

	<u>Oct 31, 16</u>
ASSETS	
Current Assets	
Checking/Savings	
Operating	
Clearing Account	22,411.74
Construction Deposits (758-922)	1.27
Operating (4040-039-926)	<u>10,737.62</u>
Total Operating	33,150.63
Reserve	
Reserve (4040-733-652)	<u>73,122.69</u>
Total Reserve	73,122.69
Total Checking/Savings	106,273.32
Accounts Receivable	
Accounts Receivable	<u>21,668.78</u>
Total Accounts Receivable	21,668.78
Other Current Assets	
Undeposited Funds	<u>425.60</u>
Total Other Current Assets	425.60
Total Current Assets	<u>128,367.70</u>
TOTAL ASSETS	<u><u>128,367.70</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	<u>1,755.13</u>
Total Accounts Payable	1,755.13
Other Current Liabilities	
Deferred Assessments	<u>15,583.33</u>
Total Other Current Liabilities	15,583.33
Total Current Liabilities	<u>17,338.46</u>
Total Liabilities	17,338.46
Equity	
Reserve Fund	114,013.75
Net Income	<u>-2,984.51</u>
Total Equity	<u>111,029.24</u>
TOTAL LIABILITIES & EQUITY	<u><u>128,367.70</u></u>

PANORAMA RANCHES
Profit & Loss Budget vs. Actual
 January through October 2016

November 17, 2016
 Accrual Basis

	Jan - Oct 16	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
ACA Review Fees	1,075.00	0.00	1,075.00
Interest (capital funds)	4.34	0.00	4.34
Interest /Late fees	972.76	0.00	972.76
Misc. Income	93.78	0.00	93.78
Operating Assessment	36,466.67	37,333.30	-866.63
Reserves	42,000.00	42,000.00	0.00
Water Lease - Strang	2,000.00	2,000.00	0.00
Water Use	18,457.35	8,750.00	9,707.35
Total Income	101,069.90	90,083.30	10,986.60
Expense			
ADMINISTRATION			
Annual Meeting	660.72	0.00	660.72
Architectural Review	0.00	200.00	-200.00
Bad Debt	450.00	0.00	450.00
Insurance	2,392.00	1,433.30	958.70
Legal Fees	1,908.46	1,250.00	658.46
Management Fees	7,440.00	7,250.00	190.00
Miscellaneous	385.31	0.00	385.31
Office Supplies	103.92	350.00	-246.08
Postage	148.00	0.00	148.00
Tax Preparation	0.00	250.00	-250.00
Website Maintenance	120.00	233.32	-113.32
Total ADMINISTRATION	13,608.41	10,966.62	2,641.79
MAINTENANCE			
Ditch Maintenance-Missouri Hts	1,314.00	1,200.00	114.00
Maintenance and Repairs	4,071.82	8,900.00	-4,828.18
Water Contract - Basalt WCD	2,032.00	1,750.00	282.00
Water Operation	11,837.00	8,330.00	3,507.00
Water Rights - Carb. Land Dev.	7,904.12	6,330.00	1,574.12
Weed Control	2,500.00	2,000.00	500.00
Total MAINTENANCE	29,658.94	28,510.00	1,148.94
UTILITIES			
Electricity	3,803.12	3,750.00	53.12
Total UTILITIES	3,803.12	3,750.00	53.12
Total Expense	47,070.47	43,226.62	3,843.85
Net Ordinary Income	53,999.43	46,856.68	7,142.75
Other Income/Expense			
Other Income			
Reserve Assessment	0.00		
Total Other Income	0.00		
Other Expense			
Capital Reserve Expense	42,000.00	42,000.00	0.00
Contingency	0.00	4,820.00	-4,820.00
Water Line Break	14,983.94	0.00	14,983.94
Total Other Expense	56,983.94	46,820.00	10,163.94

PANORAMA RANCHES
Profit & Loss Budget vs. Actual
January through October 2016

November 17, 2016
Accrual Basis

	<u>Jan - Oct 16</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Net Other Income	-56,983.94	-46,820.00	-10,163.94
Net Income	<u>-2,984.51</u>	<u>36.68</u>	<u>-3,021.19</u>

Panorama Ranches
Proposed Budget
2017

	17-Jan	17-Feb	17-Mar	17-Apr	17-May	17-Jun	17-Jul	17-Aug	17-Sep	17-Oct	17-Nov	17-Dec	Total Jan-Dec-17
Income													
Operating Assessments	3733.33	3733.33	3733.33	3733.33	3733.33	3733.33	3733.33	3733.33	3733.33	3733.33	3733.33	3733.37	44800.00
Reserves	4200.00	4200.00	4200.00	4200.00	4200.00	4200.00	4200.00	4200.00	4200.00	4200.00	4200.00	4200.00	50400.00
Water Lease- Strang	0.00	0.00	0.00	0.00	0.00	0.00	2000.00	0.00	0.00	0.00	0.00	0.00	2000.00
Water Use	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00	875.00	10500.00
Total Income	\$8,808.33	\$8,808.33	\$8,808.33	\$8,808.33	\$8,808.33	\$8,808.33	\$10,808.33	\$8,808.33	\$8,808.33	\$8,808.33	\$8,808.33	\$8,808.37	\$107,700.00
Expense													
Maintenance													
Ditch Maint-Missouri Heights	0.00	0.00	1,380.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1380.00
Maintenance Repairs	450.00	450.00	450.00	450.00	450.00	450.00	450.00	450.00	450.00	450.00	450.00	450.00	5400.00
Water Contracts-Basalt Water C	0.00	0.00	0.00	0.00	0.00	0.00	2,135.00	0.00	0.00	0.00	0.00	0.00	2135.00
Water- Operation	0.00	0.00	0.00	0.00	0.00	0.00	12,395.00	0.00	0.00	0.00	0.00	0.00	12395.00
Water Rights-Carbondale Land	0.00	0.00	8,040.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8040.00
Weed Control	0.00	0.00	0.00	0.00	0.00	1,000.00	0.00	1,000.00	500.00	0.00	0.00	0.00	2500.00
Total Common Areas Grounds Mf	\$450.00	\$450.00	\$9,870.00	\$450.00	\$450.00	\$1,450.00	\$14,980.00	\$1,450.00	\$950.00	\$450.00	\$450.00	\$450.00	\$31,850.00
Other Expenses													
Capital Reserve Expense	4200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	50400.00
Contingency	385.92	385.92	385.92	385.92	385.92	385.92	385.92	385.92	385.92	385.92	385.92	385.88	4631.00
Total Other Expenses	\$4,585.92	\$4,585.92	\$4,585.92	\$4,585.92	\$4,585.92	\$4,585.92	\$4,585.92	\$4,585.92	\$4,585.92	\$4,585.92	\$4,585.92	\$4,585.88	55,031.00
Administration Expense													
Legal Services	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	3600.00
Office Expense	10.00	0.00	40.00	0.00	0.00	90.00	0.00	0.00	0.00	170.00	25.00	0.00	335.00
Architectural Review	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Insurance	204.33	204.33	204.33	204.33	204.33	204.33	204.33	204.33	204.33	204.33	204.33	204.37	2452.00
Management Fees	760.00	760.00	760.00	760.00	760.00	760.00	760.00	760.00	760.00	760.00	760.00	760.00	9120.00
Tax Prep	0.00	0.00	350.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	350.00
Website Maintenance	110.00	0.00	0.00	0.00	0.00	110.00	0.00	0.00	0.00	0.00	0.00	110.00	330.00
Total Professional Fees Expense	\$1,384.33	\$1,264.33	\$1,654.33	\$1,264.33	\$1,264.33	\$1,354.33	\$1,374.33	\$1,264.33	\$1,264.33	\$1,434.33	\$1,289.33	\$1,374.37	\$16,187.00
Utilities													
Electricity	386.00	386.00	386.00	386.00	386.00	386.00	386.00	386.00	386.00	386.00	386.00	386.00	4632.00
Total Utilities	\$386.00	\$386.00	\$386.00	\$386.00	\$386.00	\$386.00	\$386.00	\$386.00	\$386.00	\$386.00	\$386.00	\$386.00	\$4,632.00
Total Expense	\$6,806.25	\$6,686.25	\$16,496.25	\$6,686.25	\$6,686.25	\$7,776.25	\$21,326.25	\$7,686.25	\$7,186.25	\$6,856.25	\$6,711.25	\$6,796.25	\$107,700.00
Net Income	\$2,002.08	\$2,122.08	-\$7,687.92	\$2,122.08	\$1,032.08	-\$10,517.92	\$1,122.08	\$1,122.08	\$1,622.08	\$1,952.08	\$2,097.08	\$2,012.12	\$0.00

2017 reflects no increase to assessments

Panorama Ranches

Assumptions for Proposed 2017 Budget

Ditch Maintenance- Missouri Heights- increased from \$1200.00 to \$1380.00 based on year to date expenditure for 2016.

Maintenance Repairs- decreased from \$10336.00 to \$5400.00 based on year to date expenditure and observation in 2016. This line item can be increased if there are any anticipated projects for 2017 for which Fleisher Real Estate is unaware.

Water Contract- Basalt Water Conservancy- increased from \$2100.00 to \$2135.00 based on year to date expenditure for 2016.

Water- Operation- increased from \$10000.00 to \$12395.00 based on year to date expenditure for 2016.

Water Rights- Carbondale Land Dev.- increased from \$7600.00 to \$8040.00 based on year to date expenditure for 2016.

Weed Control- increased from \$2000.00 to \$2500.00 based on year to date expenditure for 2016.

Capital Reserve Expense- capital reserve expense left at \$50400.00 for 2017. This can be increased/decreased if needed.

Contingency- decreased from \$5544.00 to \$4631.00 based on increases in other line items and 2016 observations. This can be adjusted as needed if necessary.

Legal Services- increased from \$1500.00 to \$3600.00 based on year to date expenditure and observation in 2016. This can be adjusted as needed based on any assumptions for 2017.

Office Expense- decreased from \$450.00 to \$335.00 based on year to date expenditure and observation in 2016.

Annual Meeting- annual meeting line item removed as this year's meeting will only cost \$25 and can be included in office expense line item. That is down from 2016 line item of \$850.00.

Architectural Review- decreased from \$200.00 to \$0.00 based on year to date expenditure for 2016. This can be adjusted as needed based on any assumptions for 2017. The line item can also be completely removed if preferred.

Insurance- increased from \$1720.00 based on 2016-17 renewals and year to date expenditure for 2016- this covers GL, D&O, Crime/Fidelity

Management Fee- FRE management fee increased from \$8700.00 to \$9120.00.

Tax Prep- increased from \$250.00 to \$350.00 based on year to date expenditure for 2016.

Website Maintenance- decreased from \$350.00 to \$330.00 based on quote from Barry Pendley.

Electricity- increased from \$4500.00 to \$4632.00 based on presumed 3% increase to rate for 2017.

***2017 total operating budget of \$107,000 reflects no increase to total operating budget in 2016. Operating expenses can be modified as needed based on any anticipated expenses and/or projects.**