



Homeowners Associations, Inc.
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President's Report -- 2018 Annual Meeting -- November 5, 2018

On behalf of the Cherrywood Park III Homeowner's Association, (CWPIII HOA), Board of Directors, I would like to extend warm greetings to all the residents of the CWPIII HOA. We have been honored to serve in 2018 and to continue the effort to improve our community.

We are pleased to report that Year 2018 has been a successful one for the Cherrywood Park III Homeowner's Association. The Association continues to run responsibly, according to the Bylaws and Declaration of Covenants, Conditions and Restrictions of Cherrywood Park III.

Organization

The Cherrywood Park III Homeowners Association, Inc., ("Association"), incorporated December 7, 2000 as a Colorado nonprofit corporation was formed to maintain and preserve the common property on behalf of its members. The Association consists of 488 single-family residences. The Board of Directors, (all volunteers), are elected by the homeowners to manage Association affairs. All required Board meetings have been held, in accordance with the Bylaws of the Association, during the fiscal year 2018. The Board Members in attendance represented a majority constituting a quorum, for the transaction of Association business. Association Homeowners were notified of meetings by signs posted at all development entrances, as well as notices on the Association and Management Company websites.

Finances

The Board of Directors and Management Company continued to efficiently monitor your Associations financial status. The Association's 2018 Balance Sheet indicates another good year financially despite the overall economic environment. The 2019 Operating Budget, recently presented to the homeowners, demonstrates the continued sound financial management of the Association.

Assessments

On October 8, 2018 the Cherrywood Park III Homeowners Association, Inc. Board of Directors adopted a proposed operating budget for calendar fiscal year 2019. In accordance with the Associations By-Laws the CWPIII HOA FY2019 operating budget is based upon estimated cash requirements deemed to be such aggregate sum as the Board of Directors should, from time to time, determine to be paid by all of the Association's Homeowners.

The proposed and adopted FY2019 operating budget projects total income of \$209,004.00 and expenses of \$209,004.00, based on estimated calculations from current year transactions and projected expenses through the end of the FY2018. The proposed FY2019 total expenses represent a decrease of \$1,500.00.

Decrease in the proposed FY2019 operating budget is based on competitive bids received by the Association for management fees and landscape contract. The slight increases in legal fees, fence repair and maintenance, common area maintenance utilities and electric are based on actuals from FY2018. The decrease in water is based on the installation of ET Water Brand automated controllers to the sprinkler system. The payment for the Associations mineral rights leased in 2018 and the decrease in

FY2019 allows for the continued funding of the Association's Reserve account as required by current legislation.

The proposed FY2019 operating budget requires no assessment increase to the homeowner from the current \$102.00 per quarter in FY2019. The annual assessment is due in 4 payments due the 1st day of each quarter (January, April, July and October). Assessments are deemed late after the 15th of each of those months.

The income from assessments for FY2019 is based on the \$102.00 per quarter on 488 homes. Total projected assessment income is \$199,104 for FY2019.

Management Company

The Board of Directors is pleased to announce that the Association has signed another one year contract extension in effect through June of 2019 with 4 Seasons Management Group, LLC. They will continue their management of the Associations affairs.

The Board of Directors and 4 Seasons Management Group, LLC work together, following Association Bylaws and government laws to ensure compliance with CWPIII covenants. The Management Company makes every effort to handle alleged violations in a consistent manner, providing the resident multiple opportunities for response, correction or resolution of the alleged covenant violation.

Association Accomplishments and Challenges of Year 2018

In 2018 the Association continued to move forward with an exterior house-painting program. The Board surveyed and identified a number of Association homes in need of exterior painting. Actions are being taken to have those owners paint their homes. The Board of Directors developed an approved exterior paint color scheme book for homeowners to choose from when painting the exterior of their home. The approved color schemes create a harmonious environment for the Association that is of benefit all homeowners. The paint books can be checked out from the management company office.

The Board has entered a Non-Surface Occupancy Oil and Gas Lease with Grizzly Petroleum Company, LLC. The lease has a primary term of three (3) years with the option to extend an additional two (2) years. The lease includes the total CWPIII common area of 9.7904 acres. The total lease bonus payment to CWPIII was \$62,751.84.

The Board continued an Exterior Landscape and Property Maintenance Project to address trees, shrubs, rocked and mulched borders, fences, foundations and concrete in need of attention. This proactive approach is beneficial to achieve the objective of maintaining and increasing our property values.

The Board completed an annual review of all Association subcontractor contracts for the maintenance and upkeep of the common areas. The Association's insurance policies were reviewed to insure sufficient coverage.

The Board continues the approach of responsible management and control of the Association's common areas, keeping them in good, clean, attractive and environmentally pleasing condition.

The Board again awarded the Association's landscaping contracts for 2019 to Schultz Industries, Inc., a locally owned and operated quality landscape maintenance company.

The Board continues its efforts to maintain the Association's perimeter fencing consisting of both three rail and 6 foot privacy fences. With the suggestion of the association fence adviser the association's 6-foot privacy fence between CWPIII and CWPII was replaced.

The Architectural Review Committee consistently reviews homeowner improvement requests in a quick and efficient manner.

In an attempt to address the continued raising cost of water the Board elected to install ET Water Brand automated controllers to the sprinkler system. The ET Water controllers are a cloud-based smart irrigation wireless connection system. The association's water schedule can be fully automated, enabling adjustment or suspension when rain events occur, and accounting for the precise amount of water needed within specific time constraints.

The Association sponsored a "Home of the Month" contest in June, July, August, and September. Homes were judged on their landscaping, exterior appearance and upkeep. Winners were presented with an award of \$50.00.

This year the Association sponsored a Fall Harvest Decorating contest. Cash awards were presented to the winners.

The Association will again sponsor a Holiday Lighting Contest with the winners receiving a cash awards. Holiday Decorations will be placed at all entrances of the Association.

General Area Insight

The 330,000-square-foot Denver Premium Outlet Facility/Mall at the intersection of 136th Avenue and I-25 opened on September 27, 2019.

The city-owned Thorncreek Golf Course located at 136th Avenue and North Washington reopened in 2018 after a \$7 million renovation.

Amazon has opened their 885,000-square-foot fulfillment center at I-25 and 144th Ave.

Acknowledgements

I would like to thank my fellow board members and the staff of the Management Company for all their diligence, support and teamwork during 2018. The Board is excited to see what we can accomplish, collectively and collaboratively, to bring our community CWPIII to new heights.

In closing, I want to thank you, the homeowners, for the confidence, encouragement and support you have placed in your Association's leadership. We appreciate, need, and welcome your volunteerism, comments, concerns, positive suggestions, as well as constructive criticism. Your input is essential to the success of our Association.

Respectively Submitted,

Ben H. Schafer
President, Cherrywood Park III Homeowners Association