

**MINUTES OF A SPECIAL MEETING OF
DIRECTORS AND OF MEMBERS OF
ORANGE GROVE HOMEOWNERS ASSOCIATION, INC.**

A special meeting was called by the Directors of Orange Grove Homeowners Association, Inc. for the purposes of terminating Developer's membership, relinquishing control of the Association, and for conducting other business as set forth on the attached Agenda. The meeting was held on May 22, 2007, at 7:00 p.m., at Thunder Mountain Elementary School, 3063 F ½ Road, Grand Junction, Colorado.

Members Present: See Attached List and Proxy

It was determined that a quorum was present, and that the meeting could proceed.

Alan N. Hassler, attorney for CPS Enterprises II, LLC, and Carol Gerber, real estate broker for the Project, presented information to the members about the purpose of the meeting, the general operations of any corporation, the need for the owners to take control of the Association and the means to do so.

With respect to the irrigation system, discussion was had about the fact there are two water providers, two pumping systems, and the general obligation of the entire subdivision for the detention area and the irrigation system.

_____, the owners of property to the west of the subdivision, discussed the Price Ditch easement and maintenance. The consensus was that the Board would determine what maintenance and landscaping might be necessary, and discuss doing a project with the neighbors. The members felt that it would be appropriate to complete the work through a work day, in order to save contracting out all the work.

The membership discussed Architectural Control Committee decisions that had been made, and the fact that the ACC would need to make future decisions. It was explained that the ACC has different responsibilities above and apart from City Code enforcement.

The members were advised that the dues which have been collected were being turned over to the Association, without charge for common and Association expenses the Developer had paid. It was explained that the Board of Directors would be responsible for developing a budget to meet the expenses of the irrigation system, liability insurance, and for such other maintenance and improvements as the Board may determine. The budget is to be reviewed and approved by the membership, as well.

Ms. Gerber then reviewed budget matters, including income and expense. The books, when established, are available to the members for review at any time.

It was noted that the Association dues are \$100.00 per year, and provide primarily for the irrigation system, maintenance of common areas, other services and insurance.

With respect to insurance, the Association was advised it needs to obtain general premises liability insurance over the entire project. The Developer's liability coverage does not cover the HOA and its property.

Discussion was had about the effect of the Covenants, and the inter-relationship of the Articles of Incorporation, the Bylaws and the Covenants. One concern that was voiced was whether or not a lot owner, possibly owning the lot solely for development purposes, was a member of the homeowners association. It was explained that, under the definitions of the Covenants, that person was a member and could vote. As a member, they were eligible for election to the Board, or appointment to any offices. It was noted that a number of the proxies presented for the meeting were on behalf of persons holding the lots for development.

The Members were advised that the Association would be turned over to the Member's control at this meeting.

The members were then advised that CPS Enterprises II, LLC's ("Developer") membership in the Association was being terminated and that the Developer was relinquishing control of the Orange Grove Homeowners Association, Inc. to the owners. The members were advised that the common areas, and all irrigation and drainage easements had been conveyed to the Association. A Bill of Sale for the irrigation system to the Association will be made and recorded.

Directors James Hughes, Dena Hughes and Eric Hunter had tendered their written resignations. These resignations are attached hereto.

The floor was then opened for nominations for three (3) directors, with terms of one year, two years and three years. The consensus was to use a single verbal ballot and assign the term by number of votes received.

A brief description of the operation of the Board of Directors was given, and members were advised the Board would need to fill the offices, with Board members or non-Board members. Members were advised each lot could cast one ballot for each seat.

After further discussion, it was decided to use a single, written ballot. The following directors were elected to the term set out adjacent to their name, upon nomination and secret ballot:

Calvin Barker	2-year term
Angela Diamonti	3-year term
Jerry Morgan	1-year term

After further general discussion about the subdivision and HOA, on motion, second and unanimous consent, the meeting of the Orange Grove Homeowners Association, Inc. was adjourned.