

Agate Creek Preserve Homeowners Association
Minutes of the Annual Meeting of Members
October 17, 2012.

The Annual Meeting of the Agate Creek Homeowners Association was duly called to order and held beginning at 3:00 pm on Wednesday, Oct. 17, 2012, at the Wells Fargo Bank, Steamboat Springs, Co. Rick Dowden, President of the Association served as Chairman and Nancy Jarchow, Secretary of the Association recorded the minutes. The chairman opened the meeting and asked for roll call of members, which showed the following:

Members present in person: Ted Swain, Russ Atha, Shine Atha, Joe Robbins, Libby Robbins, Rick Dowden, Cheri Trousil, Nancy Jarchow. Steve Novack representing US Bank, owner of Lot 16, joined the group toward the end of the meeting.

Members present by phone conference: Phil McClure, Bill Keith.

Members present by proxy: Randy and Connie Dean, Pat and Jennifer Hezmal, Carol and Jim Doggart, Ken and Patty Gold. The proxies were ordered filed with the Minutes of the meeting.

Members not present: Thomas Oliver, John and Florence Duty, Julie and Todd Lair.

Present by invitation: Medora Fralick, Commercial Property Group, administrator for the HOA.

Rick Dowden announced there was a quorum present with 13 of the 16 members present and presented the Certificate of Mailing of the Notice of Meeting. Nancy Jarchow said the Notice had been duly sent to all Members of the Association both by US mail and email. The Secretary's Certificate together with a copy of the Notice were ordered filed with the minutes of the meeting.

The Chairman then turned to the minutes of the October 12, 2011 Annual Meeting which had been distributed to all members. It was agreed that everyone had read the minutes. Motion was made and seconded to approve the minutes. A discussion followed in which Joe Robbins noted an inaccuracy in the minutes that stated there had been discussion and unanimous approval that the \$15,000 water reserve would be merged with the general reserve rather than remain apart and separate. He noted that the engineers at CDC (Civil Design Consultants) had conducted a water budget study several years ago in which they strongly recommended the HOA build up a separate reserve for the water system and there had been a consensus that the water reserve would remain separate and inviolable. Nancy agreed, noting she would not have voted to merge the two reserves. Bill Keith had agreed with Joe's position in a prior email. The minutes were approved as amended.

Road Report. Joe Robbins, treasurer, reported the HOA had recently spent approximately \$21,000 from the general reserves for our share of road repairs and paving to Elk Lane. There is a current proposal from Schreiner contractors to crack-seal Humble road at a cost of \$1,800. Joe noted this is a reoccurring item for road repair which prevents problems with more extensive cracking. Russ pointed out that at some point in the next few years we will need to reseal the entire road. Motion was made, seconded and approved to do the crack-sealing this year.

Water Report. Nancy Jarchow, water committee chairman, read a brief overview of the water budget from HOA water administrator, Bruce Thompson. Bruce felt the system was functioning well and suggested the HOA purchase several minor items for proper maintenance including a back-up chlorine pump, together with injector and spare fittings, at an estimated cost of \$1,500, and a new meter head with associated pipe fittings, totaling approximately \$1,500. The water budget for the upcoming year will be the same as last year's budget. Bruce suggested we forego cleaning the tanks and vault until next year since there had been only minor accumulation of mineral deposits in the tanks between the past two years.

Phil McClure asked who is paying for the water system. Nancy noted that last February, Humble Ranch agreed to permanently withdraw from the water system which has been documented by a signed and recorded Termination Agreement between Humble and the HOA. Agate Creek Preserve is comprised of 16 lot owners who now solely own and operate the water system.

Phil mentioned there are times he experiences minor issues with pressure on his individual system. Ted Swain noted he had recently installed a new filtration system at his home which has been working very well. Rick Dowden said their system is working well and asked Phil to let him know if he experiences any problems in the future.

Colorado Common Interest Ownership Act (CCIOA). Rick Dowden presented the CCIOA Policy Resolutions, which are required by CCIOA, a Colorado statute regarding governance of homeowners associations, and which have been adopted by the Board of Directors. They were prepared for our HOA by local attorney Jason Yanowitz of Weiss and Van Scoyk. Motion was made, seconded and approved to adopt the Resolutions. A copy will be posted on our HOA website.

Treasurer's Report. Joe Robbins reported the HOA is in financially good shape. The board has voted to approve a 16 month budget which will run from 9/1/12 through 12/31/13 in order to change the fiscal year to the calendar year. Water usage fees based on metering of water will be sufficient to pay for water expenses for the four month period from 9/1/11 through 12/31/12 and therefore, no additional water assessments will be required for that period. Separate bank accounts at Wells Fargo Bank will be established for the general reserve and water reserves. We are very grateful to Libby Robbins, Colorado CPA, who has volunteered to prepare the budget and balance sheets for our HOA. They will be made available for review on the HOA's website.

Phil McClure asked if the \$15,000 water reserve annual assessment would end at the end of the year. Joe explained the water reserve of \$15,000 had been established in 2010 as an annual water assessment for three years to raise a reserve of \$45,000, which was strongly recommend by CDC, the engineers for our HOA. Medora Fralick stated that the association is prudent to maintain healthy reserves for infrastructure, noting that expenses for capital improvements and repairs can mount quickly.

Motion to adopt the budget was then made, seconded and approved.

HOA Website. Medora will review options for changing to a new website company that is more user friendly.

Election of Directors. The Chairman stated the next item for action was the election of Directors to the Executive Board, each to serve a one year term. Motion was made and seconded to nominate all current six Members to serve as members of the Executive Board for the ensuing year. They include Russ Atha, Randy Dean, Rick Dowden, Bill Keith, Ted Swain and Cheri Trousil. Those members were unanimously elected.

First meeting. The Chairman pointed out that it was a requirement of the Meeting that the date for the first meeting of the newly elected Board be set, which has to be held within 10 days of the annual meeting. It was agreed to hold that board meeting immediately following the annual meeting.

The Chairman asked if there were any more matters to come before the meeting, and there being none, meeting was adjourned.

Respectfully submitted,

Nancy Jarchow, Secretary