

Agate Creek Preserve Homeowners Association
c/o Double H Management
1125 Lincoln Avenue, Box 774444
Steamboat Springs CO 80477

November 1, 2019

NOTICE OF THE ANNUAL MEETING OF MEMBERS

TO: THE MEMBERS OF THE AGATE CREEK PRESERVE
HOMEOWNERS' ASSOCIATION

PLEASE BE ADVISED that the Annual Meeting of the Agate Creek Preserve Homeowners Association will be held at 3:00 p.m. local/Mountain Time on Wednesday, November 20, 2019, in the conference room of Alpine Bank, 1901 Pine Grove Road, Steamboat Springs CO 80487.

The agenda for this year's Annual Meeting is as follows:

1. Roll call
2. Presentation of proof of Notice of Meeting;
3. Reading of minutes of preceding meeting;
4. Reports;
5. Election of inspector of election (if required);
6. Election of Members of the Executive Board;
7. Review and ratification of budget for the 12 month fiscal year ending December 31, 2020;
8. Unfinished business
9. New business: a: Informational review of other matters, if any, which have arisen since the 2018 Annual Meeting; and b. Questions, discussion and other business.

Please let me know if there are any items which you wish added to the meeting agenda. The proposed budget for the next ensuing fiscal year is attached to this Notice and will be available at the Meeting and will prior to the meeting be posted on our Association website.

I very much hope to see you at the Annual Meeting, but if you are not able to attend, may I please stress the importance of returning a proxy, a form of which is enclosed.

Very truly yours,

Albert R. Dowden
President

Agate Creek Preserve Homeowners Association

*c/o Double H Management
1125 Lincoln Avenue, Box 774444
Steamboat Springs CO 80477*

November 1, 2019

TO THE MEMBERS OF THE AGATE CREEK PRESERVE HOMEOWNERS
ASSOCIATION:

You will note that our Annual Meeting this year is scheduled for Wednesday, November 20, 2019. I really hope that you will join us, but if you cannot, I strongly ask you to return the enclosed proxy so that we will have at least a quorum and can do the business we need to do. Without a quorum we cannot adopt a budget or do any other business!

2019 has been a good year without trauma or serious problems, and because some time ago we decided gradually to build up a financial reserve, we are in a strong financial position. That being said, I should note that we need to continue to monitor the water system, which seems better but which is still not always delivering water of an acceptable quality, and to plan for some form of central treatment which we will at some point be required by law to have. To be candid, I have kind of dropped the ball on this last issue, but will do better. The other area I generally address in this letter is the road, but as most of you know we had the road chip sealed last year and that seems to be holding well. There is one small problem where the Romick's driveway meets the road and we will deal with that once work with heavy construction trucks is concluded.

On a very upbeat note we have two new homes being constructed, one by Kathy and Eric Luke and the other by Mary and Lance Romick. I hope that when you have the chance you will join Carol and me in welcoming them to Agate Creek.

As you know, one of the primary pieces of business at the Annual Meeting is the election of the members of the Board. Then following the Annual Meeting we will have the organizational meeting of the Executive Board where officers will be elected. You are most cordially invited to that meeting as well.

In the meantime, may I again urge you to join us on November 20, 2019. We will plan to provide facilities for calling in, and the number for that is 888-740-4219, code 778741#. And, again, PLEASE, submit a proxy in if you do not feel you can join us at the Annual Meeting.

All the best.

Rick Dowden
President

Agate Creek Preserve Homeowners Association
c/o Double H Management
1125 Lincoln Avenue, Box 774444
Steamboat Springs CO 80477

**AGENDA FOR THE ANNUAL MEETING OF MEMBERS
NOVEMBER 20, 2019**

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2. Presentation of proof of Notice of Meeting
3. Reading of minutes of preceding meeting
4. Reports
5. Election of inspector of election (if required)
6. Election of Members of the Executive Board
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 - a. Informational review of other matters, if any, which have arisen since the 2018 Annual Meeting;
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Agate Creek Preserve Homeowners Association

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November 1, 2019

TO THE MEMBERS OF THE AGATE CREEK PRESERVE HOMEOWNERS
ASSOCIATION:

PLEASE BE ADVISED that a meeting of the newly elected Executive Board of the Association will be held immediately following the conclusion of the 2019 Annual Meeting of the Association on Wednesday, November 20, 2019 and in the same place as the Annual Meeting, for the purpose of electing officers of the Association for the ensuing year and to conduct such other business as may come before the meeting.

All members of the Association are cordially invited to attend this meeting of the Executive Board.

Very truly yours,

Albert R. Dowden
President

DRAFT: 2018-11-09:2

AGATE CREEK PRESERVE HOMEOWNERS ASSOCIATION
MINUTES OF THE ANNUAL MEETING
NOVEMBER 9, 2018

The Annual Meeting of the Agate Creek Preserve Homeowners Association (the "Association") was on due notice called and held at 3:00 p.m. on Friday, November 9, 2017 at the offices of Alpine Bank, 1901 Pine Grove Road, Steamboat Springs CO 80487.

Rick Dowden, President of the Association, served as Chair and Sue Swain, Secretary of the Association, served as Secretary of the meeting.

Following a roll call the Chair announced that:

- Members present in person were: Russ Atha, Rick and Carol Dowden, Anne Krieg, Eric Luke and Sue Swain.
- Present by telephone were: Mary and Lance Romick.
- Present by proxy were: Connie & Randy Dean, H. Pat Hezmall, Sheila & Phil McClure and Thomas Oliver.
- Also present by invitation was Hans Hochreiter from the Association's management company, Double H Management.

The Chair announced that as there was a total of eleven (out of sixteen) members present or voting by proxy, a quorum was present and the meeting was duly organized. He then presented the proof of Notice of Meeting which was ordered appended to these minutes.

The Chair then turned to the reading of the minutes of the 2017 Annual Meeting, noting that draft minutes had been previously distributed to the members. On motion duly made, seconded and unanimously adopted, reading of such minutes was waived and they were unanimously approved as presented.

The next order of business was the presentation of reports:

1. Financial Report. Anne Krieg, the Association's Treasurer, and Hans Hochreiter presented the report. They noted that the the Association's current financial statements as well as a copy of the proposed budget for calendar 2019 had been previously distributed to the members and noted that the Association was in a very sound financial position. They asked if there were any questions, and there being none the Chair moved on to the next report.

2. Water matters. The Chair then proceeded to report that there were no changes other than as noted here of which he had been made aware in the water situation during the past year. He noted that Bruce Thompson, who handles water matters for the Association, had now been asked to flush the hydrants several times a year and that we continue to pay close attention to keeping the storage tank cleaned, both of which actions have in the past seemed to have significantly improved the water quality. Unlike many times in the past, most current users of the water system do not seem to have experienced problems during the past year, with the notable exception of the McClure's who continue to have both pressure and mineral concerns. He said that those matters would be reviewed with the McClures in the hopes of solving the problems. He noted that at some point the Association would be legally required to add processing capability significantly beyond what is currently provided and that the Board continued to research and evaluate that area. One of the main problems is that so far the Board has been unsuccessful in identifying a consultant in which they have sufficient confidence to proceed with a plan for further water treatment, but he assured the members that that would be a high priority for the coming year.

Rick also reported that a main recent concern was determining and documenting the legal situation regarding the water and the water system which he said he felt was currently the Board's highest priority. He reported that the Board had asked local counsel, John Holloway, to review all the documentation and prepare an opinion on the legal status of water related rights and assist with the preparation of a binder which would provide all interested parties with necessary information. He said that he was pleased to report that apparently the Association's water attorney, Mike Browning, and his firm had done an excellent job of properly establishing the water system and the Association's rights, but that there remained a few areas where additional inquiry would be appropriate. There are also some actions which need to be taken, primary among which is negotiating an extension of the augmentation contract for water out of Stagecoach Reservoir. That contract still has several years to run, but it was recommended by counsel that the Association immediately begin negotiations for an extension and counsel is working to get that started. Rick concluded his report by noting that there would be significant charges for legal services in connection with the water review, but reiterated his feeling that there was nothing more important to the Association than having this done and one properly.

3. Road. The Chair then reported that the road continued to hold up well, and that following the chip and seal coat applied last year, there were no current and immediate concerns. Sue Swain noted that other entities which had their roads done in connection with ours had then had the

excess gravel swept off, which we did not do but probably should have. She noted that it had made bike riding more difficult and in that regard created something of a hazard. The Chair indicated that he was totally unaware that such sweeping was recommended or done and that he had assumed that whatever was supposed to have been done had been done by the contractors. It was agreed to try to remember this when the road is next done.

4. Construction. The Chair noted that there was currently one home under construction within the subdivision, that being by Eric Luke, and that there were to more which would very probably begin shortly. That report was as a matter of information and not any concern.

The Chair said that the next order of business was the election of an inspector of election, but that election was postponed pending determination of whether an inspector would be required.

The Chair then turned to the election of members of the Executive Board. He announced that the following members had been put forth for election and they were duly nominated: Russ Atha, Randy Dean, Rick Dowden, Juakin Ketchbaw, Anne Krieg and Sue Swain. He noted that the same small group had represented the members on the Board for some years and that attention should be paid to introducing new members for the Board, especially as more homes are constructed. The Chair then asked if there were any further nominations. There being none, the Chair declared the slate as nominated to have been elected to serve for the ensuing year and until their successors shall be duly elected.

The Chair then asked Anne Krieg, as Treasurer, to present the proposed 2019 budget, which Anne, together with Hans, then did. She noted that there were only a few very small changes from the 2018 budget which she reviewed. Rick suggested that the budget for legal fees be significantly increased to cover the expect costs of the work currently being provided relative to the water situation, and specifically he proposed that budget amount be increased to \$12,000. On motion duly made, seconded and unanimously adopted, the proposed budget for 2019 as presented was approved together with the increase in the budget for legal fees to \$12,000. In response to a question from Eric Luke, the Chair gave assurances that such large legal fees were only due to the current water work and that as a general rule the Association does not incur any legal fees. A copy of the 2019 budget as approved was ordered attached to these minutes.

The next item on the agenda was to deal with any unfinished business. Sue Swain referenced prior discussions about fire mitigation and expressed the hope that the Association was still on the Forest Services list for fire mitigation evaluations and advice. The Chair assured her that it was and that the only reason why the services had not already been performed as that with the high fire incidence last summer the Forest Service had been swamped with requests

for assistance. He gave the assurance that he would follow up on the matter with the Service.

Continuing to new business, the Chair said that he was unaware of any new business which had not already been covered in the meeting. He asked if anyone else had any new business and there being no further business to come before the meeting it was duly adjourned.

Respectfully submitted,

Sue Swain
Secretary of the Meeting

Agate Creek Homeowners Association
Profit & Loss Budget vs. Actual
January 1 through November 1, 2019

	Actual		Proposed
		2019	2020
	Jan 1 - Oct 31, 19	Budget	Budget
Ordinary Income/Expense			
Income			
Assessments	\$ 40,000	\$ 40,000	\$ 40,000
Reserve Assessments	\$ 8,000	\$ 8,000	\$ 8,000
Water User Assessments	\$ -	\$ 8,000	\$ 8,000
Water Base Assessments	\$ 6,095	\$ 12,190	\$ 12,190
Water Reserve Assessments	\$ 7,500	\$ 15,000	\$ 15,000
Road Fee	\$ 10,000	\$ 10,000	\$ 10,000
Architectural Fees	\$ -	\$ 300	\$ 300
Interest Income- Water accts	\$ 625	\$ -	\$ 500
Interest Income	\$ 210	\$ 100	\$ 200
Total Income	\$ 72,430	\$ 93,590	\$ 94,190
Expense			
General & Administrative			
Admin/Management	\$ 1,020	\$ 3,000	\$ 2,000
Licenses and Fees	\$ -	\$ 50	\$ 50
Insurance			
Liability Insurance	\$ -	\$ 750	\$ 750
D & O Insurance	\$ 1,153	\$ 1,000	\$ 1,000
Total Insurance	\$ 1,153	\$ 1,750	\$ 1,750
Tax Prep/Taxes	\$ 300	\$ 350	\$ 300
Legal	\$ -	\$ 12,000	\$ 12,000
Office Supplies/Postage	\$ 309	\$ 100	\$ 100
Website	\$ 300	\$ 300	\$ 400
Total General & Administrative	\$ 3,082	\$ 17,550	\$ 16,600
Operating Expenses			
Fencing	\$ -	\$ 6,500	\$ 6,500
Fire Mitigation	\$ -	\$ 2,000	\$ 2,000
Landscaping	\$ -	\$ 1,000	\$ 1,000
Road Maintenance	\$ 259	\$ 3,000	\$ 3,000
Snowplowing	\$ 5,789	\$ 6,000	\$ 6,000
Mosquito & Weed Control	\$ -	\$ 500	\$ 250
Entrance Light-Electric	\$ 1,315	\$ 350	\$ 750
Total Operating Expenses	\$ 7,363	\$ 19,350	\$ 19,500
Water Expenses			
Water Base Costs			
Stagecoach Water Purch	\$ 870	\$ 870	\$ 870
Water Repairs	\$ 100	\$ 5,000	\$ 2,500
Total Water Base Costs	\$ 970	\$ 5,870	\$ 3,370
Water User Costs			
Water Operator	\$ 3,590	\$ 5,500	\$ 5,500
Water Supplies	\$ 100	\$ 1,500	\$ 1,500
Water Electric	\$ 237	\$ 2,500	\$ 2,500
Total Water User Costs	\$ 3,927	\$ 9,500	\$ 9,500
Water Expenses - Other			
Total Water Expenses	\$ 4,897	\$ 15,370	\$ 12,870
Total Expense	\$ 15,342	\$ 52,270	\$ 48,970
Net Income	\$ 57,088	\$ 41,320	\$ 45,220

Water usage is billed annually in December

Water matters

Tank Cleaning

Bruce Thompson

Customer Contact List

AGATE CREEK CUSTOMER CONTACT LIST

Customer		Main Email	CC Email	Bill to	Main Phone
Lair Lot 1		julielair@cox.net	tlair@lhc-tlc.com	Julie Lair c/o The Commerce Trust Company P.O. Box 637 Wichita, KS 67201-0637	316-261-3662
Trousil Lot 2		ed@humbleranch.com	cher@humbleranch.com	Ed and Chen Trousil P.O. Box 771201 Steamboat Springs, CO 80477	970-846-5176
Altha Lot 3		russshine@earthlink.net	russell.altha@rockmail.com	Russell & Carol Altha P.O. Box 772323 Steamboat Springs, CO 80477	970-846-6363
Romick Lot 4		mromickranch@hotmail.com		Mary L Romick 1232 Ridge View Drive Steamboat Springs CO 80477	903-724-3109
Luke Lot 5		eluke@varsityfs.com		Eric & Kathryn Luke 1947 Grand View Dr Farmington UT 84025-3955	303-882-0700
Swain Lot 6		tswain57@gmail.com		Ted and Sue Swain P.O. Box 776054 Steamboat Springs, CO 80477	970-871-9917
McClure Lot 7		mcviper@netins.net		Philip and Sheila McClure P.O. Box 473460 Aurora, CO 80047-3460	303-364-7399
Arete Min Dev Lot 8		jphz86@gmail.com		Arete Mountain Development, LLC 5505 Hunterwood Lane Arlington, TX 76017	214-616-7061
Oliver Lot 9		toliver@winstead.com		Ted and Sue Swain P.O. Box 776054 Steamboat Springs, CO 80477	214-559-2525
Thames Holdings LLC Lot 10		ian1.piper@gmail.com		Ian T. Piper 3452 E. Winding Hill Ave. Lone Tree CO 80124	217-251-5442
Krieg Lot 11		ahkrieg@outlook.com		Kenneth & Anne Krieg PO Box 772074 Steambot Springs CO 80477	703-298-7279
Duty Lot 12		jmduty@bechtel.com		John & Florence Duty 5315 Cypress Creek Pkwy Suite B #146 Houston TX 77069	713-235-3636
Dean Lot 13		deanrandy2@aol.com	clodean@aol.com	Randy and Connie Dean 5116 Whistling Straits Dr. College Station, TX 77845	281-798-1022
Johnson/McGee Lot 14		jjohnson@cttenjohnson.com	mcgeejohnson@hotmail.com	James Johnson & Allison McGee 1737 Clermont St Denver CO 80220	303-575-7596
Dowden Lot 15		rdowden@sprynet.com		Albert R. & Carol Dowden P.O. Box 774000-PMB #222 Steamboat Springs, CO 80477	970-870-1770
Trent Lot 16		jftrent@hotmail.com		Jeffrey Trent 47 Indian Hill Road Winnetka IL 60093	845-264-7839

Agate Creek Preserve Homeowners Association

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1125 Lincoln Avenue, Box 774444
Steamboat Springs CO 80477*

PROXY FOR THE 2019 ANNUAL MEETING:

The undersigned, being (a) member(s) of the Agate Creek Preserve Homeowners' Association do(es) hereby designate _____ to serve as my/our proxy to cast my/our vote in any matter coming before the 2019 Annual Meeting of the Association.

Print name(s) of Member(s)

Signature(s) of Member(s)

Date: _____ Lot(s) Owned _____

To be effective, proxies must be presented at the Annual meeting, which can be done by anyone in attendance. Proxies sent to Albert R. Dowden, by mail to PO Box 774000—PMB #222, Steamboat Springs, CO 80477 or by email to rdowden@sprynet.com , and received prior to the Meeting, will be so presented.