

Approved

**AGATE CREEK PRESERVE HOMEOWNERS ASSOCIATION
MINUTES OF THE EXECUTIVE BOARD
FEBRUARY 15, 2012**

A Regular Meeting of the Executive Board of the Agate Creek Preserve Homeowners Association was duly called and held on Wednesday, February 15, 2012 at the offices of The Commercial Property Group, Steamboat Springs, Colorado.

Present were Russ Atha, Rick Dowden, Bill Keith, Ted Swain and Cheri Trousil, constituting a quorum for the purpose of transacting business. Also present was Nancy Jarchow, Secretary and Joe Robbins, Treasurer. Rick Dowden served as Chairman and Nancy Jarchow as Secretary.

The Chairman stated that the first order of business was consideration of a proposed "Disconnection & Termination Agreement" (the "Agreement") between the Association and Humble Ventures, LLC whereby Humble would confirm its disconnection from the Association's water system, confirm that such disconnection was permanent, and terminate the prior agreement between the parties dated June 25, 1999. The Chairman reported that copies of the proposed Agreement had been circulated to all members of the Board and Officers of the Association and that there had been extended discussion about it over the past weeks. He also reported that the matter had been discussed with general counsel, John Holloway, and special outside water counsel, Michael Browning, both of whom strongly endorsed entering into the proposed agreement. Lastly he advised the Board that he had signed the Agreement on behalf of the Association and that Ed Trousil had signed on behalf of Humble Ventures, LLC and that the signed and notarized Agreement was being held in escrow pending an affirmative vote by this Board.

Following additional discussion and on Motion duly made, seconded and unanimously adopted, it was:

RESOLVED, that the proposed "Disconnection & Termination Agreement" (the "Agreement") between the Association and Humble Ventures, LLC, a copy of which is attached to these minutes and made a part thereof, be and it hereby is adopted and approved; and

FURTHER RESOLVED, that the action of the Association's President in signing such Agreement be and the same is hereby ratified; and

FURTHER RESOLVED, that the President of the Association be and he hereby is authorized and directed to have such Agreement duly recorded in the real property records of Routt County.

Fiscal Year Change – It was agreed to adjust the Association's fiscal year to calendar year the change made retroactive beginning 1/1/12. Motion was made by Bill, seconded by Russ and unanimously approved.

Legal Fees – There was a lengthy discussion regarding John Holloway's attorney fees which totaled \$2,525 for November – December, 2011, for matters relating to the new agricultural tax law and an additional \$3,413 for water matters which were related mostly to the Termination Agreement, for the same period of time. Total: \$6,113 for the past three months. Rick noted that he had carefully reviewed the billings and as with others had some questions and concerns. He said that he would meet with John, go over the billings, and try to have the overall fees reduced, his goal being by \$1,000.

Nancy noted she had initiated the request to the Board for the Termination Agreement and specifically requested the Board have our water attorney, Mike Browning prepare it. She emphasized it was her feeling that the extent to which John Holloway was allowed to participate in the drafting of this document added unnecessary and excessive legal fees.

It was noted that agricultural related expenses are not the responsibility of the HOA and are shared by the homeowners opting into the grazing program. Rick said it had been previously determined that these particular legal fees would be shared only among the six homeowners who have built homes and are participating in the grazing program

Cheri noted that the current budget only included a \$1,000 for legal fees. Rick agreed that unfortunately fees were higher than anticipated, but said that now that the water matters have been resolved, legal costs to the HOA should be minimal.

Rick suggested that going forward, only one person be the HOA contact for all legal matters and that anyone with legal questions refer to our HOA representative and not the lawyer, directly. Ted agreed to be our legal representative which offer was unanimously accepted.

Water Budget – Joe Robbins, Treasurer, reported on the ongoing water bills and agreed to do a comparative analysis for the current budget for revenue based on anticipated usage to actual usage now that we have six months of water metering records available. Revenue will also be adjusted for assessments now that Humble has withdrawn from the system. Joe will report to the board at the next scheduled meeting.

Rick suggested we have quarterly budget reports and Joe offered to have Libby Robbins (CPA) help with that.

Nancy asked what the procedure is for bill approval. Joe explained he reviews and approves all expenses unless it is of an unusual nature, such as the current legal fees. Under those circumstances he will bring it to the attention of the board.

Commercial Property Group - Joe noted the management company fees were higher than usual at \$562 for January. Bill asked Joe to check with CPG about charging a flat fee for what are mostly general, reoccurring monthly services. Nancy asked that an itemized breakout of costs be provided on all statements. Joe agreed to discuss these suggestions with CPG.

Rick said, in an effort to keep future costs down he had instructed both Medora of CPG and John Holloway to refrain from consulting with each other directly, without approval.

In addition to these expenses, CPG issued an incorrect estoppel for the Kressig house closing which caused a deficit to the HOA of over \$500. The HOA will have to absorb this cost as estoppel certificates are final. Rick said he would discuss this with Medora when she returns from out of town. In the future, CPG will be instructed to review any estopped or similar matters with the Treasurer before approval.

Motion was made by Cheri to approve the minutes of the November 16, 2011 meeting, seconded by Bill and unanimously approved.

The next regularly scheduled board meeting is April 18, 2012.

There being no further business to come before the meeting, it was adjourned.

Respectfully submitted,

Nancy Jarchow
Secretary