

BOARD OF DIRECTORS MEETING

SAGE PORT HOMEOWNERS ASSOCIATION

JULY 19, 2006

Meeting was called to order at 7:07 p.m. Present were Leonard Westlake, Pat Ryan (by telephone hook-up), Mark Hesse, CJ Meyer and Sandy Anderson. Also in attendance was John Koller, Document Review Committee member.

SECRETARY 'S REPORT :

The secretary requested a few extra days to complete the minutes of the last meeting, at which time they will be emailed to all directors for approval.

On July 23 the minutes of the June 21, 2006 Board Meeting were emailed to all board members. On July 24th, Pat Ryan made a motion to accept the minutes as written; on July 25th, Steve Coffin seconded the motion. On July 25th Leonard, Steve, Paul, Pat, Sandy approved, CJ did not reply, on July 31st, Mark requested via email clarification of the vote. Minutes were approved.

TREASURER 'S REPORT :

On June 25, 2006 Pat Ryan sent the following email:

"After a review of the documents, the Document Review Committee would like to give the ACC the opportunity to return the funds to the HOA voluntarily prior to any formal action by the board.

"I make a motion to have the boards' legal council prepare and send a formal request to the ACC requesting that they return the funds."

The motion was seconded by Leonard; Sandy, Pat and Leonard voted in favor of the motion, CJ abstained, Mark voted against. Motion passed.

Pat reported she issued a check for \$10.00 to the Secretary of State to update the HOA's registered agent. A \$50.00 check for dues was received.

COMMITTEE REPORTS

COMMUNICATIONS COMMITTEE:

Drew was unable to attend; Leonard gave his report. Drew has been in contact with board and committee members attempting to gather and finalize content for the newsletter, in particular with CJ and Steve Lechner regarding the status of the Wildfire Mitigation Committee's message.

Leonard asked for an update from CJ, and she reported Richards Trucking and MR Hauling, who will work in tandem on our pick up, have changed their pricing structure from an hourly rate to a truckload rate of \$575.00. After much negotiating, CJ obtained a best and final rate of \$525.00 per truckload, which she believes is workable as the

materials picked up are compacted. Collection would be on September 5th, which gives participants up to the 4th to get slash down to the swale. There will be a sign-up and participation will be on a first come-first served basis. CJ made a motion to continue the motion as made and approved last month, Leonard seconded, and motion was unanimously approved. CJ will contact Drew to give him this update.

Drew has been working on getting the website completed, and hopes to have the past minutes posted within a week.

DOCUMENT REVIEW COMMITTEE:

John Koller presented the committee's report in Bill Smallwood's absence. The committee continues to wade through and categorize materials at hand. There are bills for legal activity over the last several years for which there are no supporting documents. The committee recommends asking the Board to request all lawyers used during the years 2003, 2004, 2005 and the first quarter of 2006, to provide copies of all the work product for the HOA and ACC which the board paid for during that time, enabling the committee to correlate bills to services received. Leonard made a motion that Pat request from all the lawyers in the files, and any other she may come across, copies of their files associated with the Sage Port HOA in 2003, 2004, 2005 and the first quarter of this year. Sandy seconded, Leonard, Pat and Sandy approved, CJ and Mark voted against. Motion passed.

John noted the fact the prior board approved Steve Lechner to replace John Manka upon his resignation from the board. Mr. Lechner was not eligible to serve because he is not listed as lot or property owner on county records or deed.

Another point the committee raised is that after having had discussions with the board-approved attorney, the attorney believes, based on the information reviewed to date, there is a solid case to request return of the funds from the ACC. The attorney recommended, rather than pursuing costly, long drawn-out activities, the first, simple, most logical step is to create a formal demand letter to the ACC for return of the funds. Leonard pointed out that Pat, in an attempt to save some time, had sent a motion via email to the board members to this end, and her motion is being repeated at this meeting. The board is asking to have the funds returned to the HOA in an official letter from our attorney. Leonard seconded Pat's original motion, Pat, Sandy and Leonard approved, CJ and Mark voted against Motion passed.

In response to a question from Karen Ruffin for clarification of the transfer of funds to the ACC, and the scope and purpose of the Document Review Committee, Leonard explained the current board's majority position and findings; Mark then explained the prior board's reasons for their actions.

John stated the DRC has been waiting for a document from the attorney to present to a special executive session of the board; the document has not been received yet, therefore the special executive session has been postponed, and will be rescheduled. John said

further that the DRC felt this matter would be best presented and discussed in private, thus the scheduling of a special executive session.

OLD BUSINESS:

Sandy requested from Mark all of the HOA's historical records, which have not been turned over to her. The spreadsheet Mark provided is for only 2006, and there are records going back to at least 2000. These include the electronic files for the Excel and Access database. Mark stated he does not and never did have those files.

CJ asked for an update on the status of the President, Steve Coffin. Karen Ruffin asked for an overview of matter, which was given by CJ, Mark and Leonard. Mark believes we are violating the governing documents by having a president who is not a signatory on the HOA's accounts. Leonard pointed out he feels we are not in violation, because the by-laws allow the vice president to step up in this capacity until the president completes the paperwork. CJ made a motion to replace Steve, no second was made, and motion was dropped.

OPEN DISCUSSION:

Mike Meyer asked why the board was going to have an executive session at 6:00 p.m. prior to the open meeting. Leonard responded that we thought the Document Review Committee might have something to present to the board to help the board execute their fiduciary responsibility. The material has not been received as anticipated. The HOA's attorney advised the board to take this information in confidence until they assess it and figure out what to do with it, so that random information doesn't go public and create problems. When the board has received the information, considered it and made some decisions, it will be made public.

CJ said that after having made several telephone calls to the County and Perry Park Water, the unsightly black plastic, which was an eyesore along Tenderfoot Drive, has finally been removed, and the area looks much nicer now.

There being no further business, Leonard made a motion to adjourn the meeting, CJ seconded, all agreed. Meeting was adjourned at 8:08 p.m.

Respectfully submitted,

Sandy Anderson
Secretary