

BOARD OF DIRECTORS MEETING

SAGE PORT HOMEOWNERS ASSOCIATION

December 8, 2006

Meeting was called to order at 9:42am By Bill Smallwood, HOA President at the law offices of Grimshaw & Haring. Present were Bill Smallwood, Mark Hesse, C.J. Meyer, Pat Ryan and John Koller.

The announced agenda was:

1. Discuss settlement documents proposed by ACC.
2. Fill missing board seats.
3. Discuss the nominating committee activities.

It was presented that the meeting had been called at this location with the intent to hear guidance by the HOA lawyer and to review proposed settlement documents that had been developed by the HOA and ACC legal advisors. It was announced that the discussions had progressed well and the two sides had been close to an agreement until the previous afternoon. The HOA had been informed that the ACC side had withdrawn the settlement and would not continue discussions. As a result, there was no settlement to discuss or vote on. Bill Smallwood indicated that we had kept the meeting as scheduled to address the remaining items and that the notice we received on Thursday was insufficient to meet the 72 hour requirements for a change. When asked, Mark Hesse indicated he was unaware of any details of a settlement or what might have gone wrong to cause the talks to fail. As it was uncertain if this issue will need to be revisited, it was left as an open item to allow rapid response to any action required toward resolution and is not subject to the 72 hour notice requirements.

It was proposed to fill the director position formerly held by Paul Stremick. This term continues through the board year 2007. It was also discussed to leave the position formerly held by Sandy Anderson open as the 2007 elections are near and that position expires then.

Mark raised an objection to the meeting and the vote on the directors. It was noted and the discussion continued.

When asked for candidates, CJ Meyer provided the following list;

Karen Ruffin  
Mike Meyer (CJs husband)  
Pat Berard  
Carol Kumpost  
Mark Hesse  
CJ Meyer

Another name, Cliff Nichols was added at the request of other board members. The other board members questioned CJ on her and Mark's names on the list. She indicated they are there for next year.

Motions for each name on the list were requested from the directors. No motions were made for any of the names on the list provided by CJ.

John Koller made a motion to have Cliff Nichols fill the position for the duration of Paul's term. It was seconded by Pat Ryan. The vote was Smallwood, Koller & Ryan in favor and Meyer & Hesse against. The motion passed and Bill will notify Cliff.

With respect to the nominating committee CJ reported that she was still the only member of the committee. A concern was voiced and it was generally believed by the board that those responsible for the integrity of the vote should not also be running in the election. Given that she had included her name in the list for 2007 she was asked to either agree not to run or to relinquish the committee chair. She had asked for more time to decide. Bill Smallwood extended a deadline of close of business Wednesday December 13<sup>th</sup>. She agreed. Bill will follow-up with CJ on Wednesday. The composition of the nominating committee will be determined following CJ's deadline. This issue remains open and not subject to the 72 hour notice requirement.

The meeting adjourned at 10:15 am.

Respectfully submitted,

John Koller  
Sage Port HOA VP & Acting Secretary