

HAMILTON CREEK ASSOCIATION
BOARD OF DIRECTORS MEETING
Tuesday, February 18, 2003
38 Blue Moon Trail

Attending Board members:

Niel Christensen
Toni Graves

Bruce Mitchell
Roger Paluska

Others attending:

Bob & Deborah Polich
Kolbjorn Tenfjord

Mountain Systems, Inc.
President, Hamilton Creek Metropolitan District

Niel Christensen called the meeting to order at 7:10 PM.

Minutes. *The minutes from the November 12, 2002 Board of Directors meeting were approved as written. (Paluska/Mitchell, 4-0).*

Reports

Architectural Committee. Niel Christensen presented the current status, which was provided by Hans Zimmer, Chairman of the Architectural Committee.

24 Crescent Moon Trail Palazzari Approval of preliminary plans.

Treasurers Report. Roger Paluska provided the Board with a Balance Sheet as of February 18, 2003 and a Profit and Loss statement for the period beginning May 2002 through February 18, 2003. The Association finances are healthy and the only major expense to date has been for the address signs (\$14,000). To date there are 16 owners who still owe their annual Association dues.

Old Business

Covenant and Design Guideline Violations. Niel mentioned that he had spoken with Eddie O'Brien to remind him to remove the oversized "For Sale" signs, which are still up at the Benches. Also there are several trailers, which should be removed, one located at 1961 Hamilton Creek Road and another behind the Waggoners at 801 Lakeview Circle.

Directors Insurance. Roger Paluska stated that he has located an agency, The Urman Company, which may be interested in providing the Association with directors insurance. They will be sending him a questionnaire in the next few weeks to complete. He should have more information at the next Board meeting. It was also decided to look into common area liability insurance coverage as Bob Polich mentioned that mortgage companies located in California are now requesting proof of insurance from the Association when considering financing a home located in Hamilton Creek. This is a result of lawsuits in California regarding injuries suffered on common property, but resulted in individual owners being sued. At this time, it appears a letter

from the Association stating that the common area is only forested and not a recreational facility may be enough to satisfy the mortgage companies.

Common Area Easement. *The common area easement from the Hamilton Creek Association to the Metro District, prepared by Attorney Mark Richmond, which allows the exclusive legal use of the common area on which the water facilities are located and also a non-exclusive right to oversee the care of the forest, trail and parks was approved. (Paluska/Mitchell, 4-0).*

New Business.

Annual Cleanup Day. Kolbjorn Tenfjord volunteered to be the chairman for the Annual Cleanup Day, which will be held on Saturday, June 21, 2003. He will present the final plans at the next Board meeting.

Annual Meeting. The Chairman for the Annual Meeting will be Carol Kurlander. The meeting will be held on Saturday, June 28, 2003 at the end of Storm Watch Circle, the same location as last year.

Metro District. Bob Polich, as the Administrator of the Metro District, updated the Board on the status of the water repair project. Work during the last several months is almost done with the installation of the bag filtration system and the final electrical connection by Excel still to be completed. The final plans have been approved by the State of Colorado. The plan is to have the new system on line by the end of April 2003. There was a lengthy discussion regarding alternative funding for the water system expenses as a short-term loan from Liberty Savings Bank for \$150,000 was not approved as the Metro District was unable to provide property security. The loan would have funded a portion of the water system repair expenses until March, when property tax income would begin to be received. As an alternate solution, loans from interested homeowners were considered as a short-term idea for paying the water system expenses. The loans from \$10,000 to \$25,000 each would be paid back by July 15, 2003 with 8% interest and a ½ percent origination fee. Attorney Mark Richmond reviewed this option, and prepared several note contracts to be used. *The Hamilton Creek Association desires to provide residents with a potable water supply. The Board of Directors authorizes up to \$150,000 in borrowing from residents with terms of 8% interest, ½ percent origination fee to be repaid by July 15, 2003. (Notes attached). The Hamilton Creek Association will loan all money received from these notes to the Metro District under the same terms. (Graves/Mitchell, 4-0).*

Bob Polich mentioned that the snow removal is within budget with improvements for next year being considered.

The next meeting was tentatively set for Tuesday, May 20, 2003. The meeting will be held at 7 PM at the home of Roger Paluska, 33 Crescent Moon Trail.

The meeting was adjourned at 8:58 PM. (Graves/Mitchell,4-0).