

**DRAFT MINUTES
SPECIAL MEETING, HILLCREST VILLAGE
HOMEOWNERS ASSOCIATION
NOVEMBER 17, 2008**

Board Members Present: Donna Franz, President; Dave Ruby, Vice-President; Stan Gardenswartz, Vice-President; Doug Graves, Treasurer. Val Lawton, Secretary was absent. Tracy Mulvihill, Community Manager was present and agreed to take the minutes of the meeting.

Home Owners and Guests Present: Bob Hofstader, Leonard Silverman, Doris Craigmile, Sharon Joseph, Betty Perry, Gerry Miller, Gail Grewe, Wayne Brunetti, Mollie Brunetti, Joe Albert, Trish Albert, Kim Graves, Sally Gardenswartz, Betty Vean, Pat Scherer, Mike Scherer, Marian Miklin, Lorraine Greenstein (daughter of Marian Miklin) Carmela Capraro (daughter-in-law of Olga and Luigi Capraro), Olga Capraro, Luigi Capraro, Phillippe Capraro (son of Olga and Luigi Capraro), Margaret Levitt, Barry Levy (son of Margaret Levitt), Florence Radetsky, David Brown (son-in-law of Florence Radetsky), Wendy Ruby, Sue Hill, Gerry Hill, Mindy Humphrey, Linda Hoffman, Vicky Switzer, Devon Bowes, Peter Bowes, and Carol Leidholt

Km Porter, Esq., Association Attorney was also present

Call to Order: The Special Meeting of the Hillcrest Village Homeowners Association was called to order at 5:40 p.m. by President Donna Franz. Ms. Franz recognized Tracy Mulvihill who stated that a quorum of officers and homeowners was present to conduct the necessary business.

Discussion on the Construction Project and Special Assessment: Ms. Franz led the discussion by reviewing the contents of the packet that was delivered or mailed to each Unit Owner prior to this Special Meeting: The Cover Letter, The Posted Notice and Agenda, The Background and Timeline, How the Proposed Loan Works At A Glance; The Assessment Table, and the Ballot and Proxy Form. A Question and Answer document was passed out prior to the start of the meeting.

The decks and foundation need to be repaired. Since the insurance company has not come forward, we need to have a special assessment to cover the costs. There are two choices on how we can assess for these repairs: The first choice is that every homeowner would pay their portion in a lump sum based on percent ownership. The second choice is that we take out an association loan and pay individual monthly special assessments over time. Knowing that paying a lump sum could be a burden on most homeowners, we have already applied for an association loan and fortunately have been approved for up to \$725,000.00 from Citywide Bank. It is not a requirement of the DCC&Rs to have a vote on a special assessment, however, it is a requirement and condition of Citywide Bank to

have 27 votes in favor of and approve the proposed association loan for the construction project. Donna discussed the terms and conditions of the loan and how it would work. Almost all of the questions of the homeowners were covered in the Question and Answer document that was handed out. Some additional questions were:

Q. Is the collateral only the dues or the special assessment dues?

A. The collateral is all income of the Association. If someone defaults on their payment, a lien will not be placed on another Unit Owners home.

Q. Is there an option of paying in thirds as the work progresses?

A. This is a construction loan and we will only be paying interest until the construction is completed. Then, the loan converts to a 15 year fully amortized principal and interest term note due monthly.

Q. How will the monies be separated (operating from special assessment)?

A. There will be a special account in the reserves for the loan monies. The Bank sends Weststar a spreadsheet each month and Weststar keeps a separate ledger on each Unit Owner tracking all the payments.

Q. Can I have a copy of the loan commitment letter?

A. In your packets you received a summary of how the loan works. However, if someone wants a copy, let us know and we will make sure you see it.

Q. Is Palace Construction bonded and are there warranties?

A. Yes, Palace is bonded and insured. Proof of this is also a requirement of the bank. . A lot of construction companies will not work on re-construction projects or multi-family dwellings. Palace is considered to be the best in this area. Standard construction warranties apply and we have up to 6 years to find any defects according to Colorado Statutes.

Q. Will Palace be using treated wood this time?

A. We are planning another special meeting with the Unit Owners and Palace to discuss the design and repair plans and share that with everyone.

Q. Are we spending extra money on a decorator? I've noticed people walking around and taking pictures

A. We have a team of people working on the plans including Kari Design, a noted architectural design consultant, Borne Engineering, and Palace Construction. They are all working together and their fees are part of the loan amount. We are eager to share the plans with everyone very soon.

Q. Will the Board continue to pursue Dick Landon?

A. The Association hired Al Cohen, a construction defect attorney who is still in negotiations with Landon/Traveler's attorney to reach some kind of settlement versus litigation; however, we are prepared to go to litigation if it makes sense.

Q. Are we looking at other insurance carriers other than Travelers?

A. Yes we will be looking at bids from other carriers.

Q. Do all the decks need to be replaced?

A. Yes. Some are in worse condition than others, but all show signs of rot.

Q. When Palace does the construction of the decks, what if there is any interior damage; who would be responsible?

A. Palace has included a contingency amount into their bid to cover any “unknowns.” We are trying to use design plans that would negate any interior work. However, if there were any damage, Palace would take care of it.

Half way through the Q & A, Wayne Brunetti Unit 305 complimented the Board on all of its work and encouraged all owners to approve the loan.

Vote: Donna reminded everyone that in order for the Association loan and special assessment to pass, we must receive 27 votes in favor and approve the proposed Association loan for up to \$725,000.00 for the construction project and subsequent special assessment/operating assessment increase sufficient to cover all operating expenses, loan principal and interest and fund the reserves at a minimum of \$15,000.00 per year.

Ballots were collected and everyone was reminded that all ballots must be turned in by November 24, 2008

Adjournment: The meeting ended in applause and was adjourned at 6:40 pm.

NOTE: As of the writing of these minutes, the Association has received 29 “Yes” votes and therefore exceeds the required 27.