

**Meeting Minutes of the March 12, 2005 Meeting of
The Springs at Mariana Home Owners Association, Inc.
Loveland, Colorado**

The Springs at Mariana Home Owners Association (SMHOA), nonprofit corporation established in Loveland, Colorado in 2004, convened for the annual meeting on March 12, 2005 at 5615 Mountain Iris Court (a home in the subdivision). Greg Muhonen, Mark and Anna Vaughn, Heath and Kimberly McVay, Scott Barrow, and Ron and Cathy Carroll, members of the HOA, attended.

As this was the first meeting, there were no minutes of a previous meeting to approve and accept.

1. The design review committee was explained and members named. This committee is working well together with no issues to report to the HOA members at this time.
2. The decision to have quarterly meeting was established. The next meeting is scheduled for Saturday, June 11, 2005 at 10:00 am at the Vaughn residence (5615 Mountain Iris Court).
3. No nominations were presented for the Executive Board, so the initial officers were retained, as follows:
 - a. Greg Muhonen, President and Treasurer (term expires January 4, 2006)
 - b. Mike Muhonen, Vice President (term expires March 12, 2008)
 - c. Mark Vaughn, Secretary (term expires January 4, 2007)

Nominations will be solicited again at the next HOA meeting as Mike Muhonen is expected to resign and Greg Muhonen's term expires soon.

4. The proposed 2005 operating budget was presented and reviewed. Nearly the entire budget is needed to fund maintenance, with only \$39 remaining for capital improvement.
5. It was recommended that the annual HOA dues be increased from \$240 to \$360 annually so that a fund for capital improvements could begin to accrue. All members present unanimously agreed upon this increase.
6. As regards to funding capital improvements, various projects were discussed and the members decided to prioritize safety issues first. It was agreed that the perimeter of the central pond located within the common area park should be lined with rock to make it easier for anyone who might fall in to climb back out. Mark Vaughn volunteered to collect bids from landscape firms and transmit the information via email to expedite this work before the pond is filled in April for irrigation needs.
7. As regards to the managing the books and ongoing operation of the SMHOA business, the members decided that an outside property manager would be needed. Greg Muhonen reported that the property manager used by Mariana Cove has expressed an interest. Greg agreed to contact him to discuss his interest, scope of services to be provided, and the fee associated with this work. Members present agreed that a fee of up to 10 percent of the budget would be acceptable.
8. As regards to line 13 on the 2005 budget, the group decided to maintain the emergency reserve fund at 10 percent of the budget.

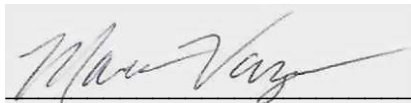
9. There were two proposed amendments to the covenants presented and unanimously approved, as follows:
 - a. Section 10.12 regarding Insurance Obtained by Owners. The statement indicating that homeowners need to maintain a copy of their current homeowners insurance policy on file with the HOA was modified by deleting the phrase "with the HOA."
 - b. Section 16.01 of the covenants specifically prohibited solid fencing along any lot line with The Springs at Mariana. The section was amended to allow an exception for Lots 1 through 4 of Block 1. Scott Barrow abstained from the vote. The members agreed that the proposed fencing needs to be consistent along all four lots and follow the architectural theme of the development and neighborhood. The Design Review Committee would approve this wall design.

Copies of the revised pages 21, 22, 39, and 40 of the covenants are attached to these minutes for the use of all members.

10. There were two items presented for discussion that were not on the agenda: (1) a safety concern was raised about the dropoff on either side of the storm drain between lots 17 and 18. Although the drop is not great enough to require a handrail by city standards, it is enough to possibly contribute to an injury. Heath McVay agreed to get costs for fencing the east side to improve this situation; and (2) lot owners were reminded to keep their excavations marked and fenced for safety. An animal was trapped in a trench on Lot 23 recently and children have been observed playing on the mounds of excavated soil. Ron Carroll agreed to contact the lot owner's agent to get this safety issue corrected.

The date for the next meeting was set for June 11, 2005 at 10:00 am.

Respectfully submitted this 14th day of March 2005.



Mark Vaughn, Secretary