

POINTE SOUTH MOUNTAIN RESIDENTIAL ASSOCIATION
BOARD OF DIRECTORS MEETING
Pointe South Mountain Resort

Meeting Minutes of May 11, 2004

Directors present: Fred Huff, President
Sunny Lee, Vice President
Dave Harp, Treasurer
Frank Frangul
Mike Harris
Jane Karkosky

Directors absent: Kay Hatch, Secretary

City Property Management Company: Renee Gordon, Association Administrator
Patty Garman, Senior Manager
Brian Lincks, Vice President

Recording Secretary: Paula A. Ripp

CALL TO ORDER

Fred Huff called the meeting to order at 7:18 p.m.

RATIFICATION OF MINUTES

The corrections to the April 13, 2004 minutes will be made and forwarded to CPMC.

Mike Harris made a motion, seconded by Frank Frangul, that the following resolution be adopted:

RESOLVED that the minutes of the Board of Directors of the Association held April 13, 2004 is true and accurate record of the meeting and is hereby ratified as corrected.

The motion was carried and the resolution adopted by a unanimous affirmative vote.

HOMEOWNER

Michael Petty was present to request that the Board of Directors do not remove the Bougainvillea at 8646-2 S. 51st Street. The Board of Directors would like to view the Bougainvillea prior to making a final decision. The issue will be tabled to the next meeting.

TREASURER'S REPORT

Dave Harp reviewed the financial statement for the period ending April 30, 2004.

Dave Harp explained that the \$12,000.00 credit received from the insurance company was a mistake and will now be charged back to the association. This will cause an over budget amount for insurance.

Dave explained the insurance carrier eliminated the \$5,000,000.00 umbrella policy, so the association increased the policy to a \$15,000,000.00 policy. After further research, Dave recommends canceling the umbrella policy and increasing the general liability policy.

Dave Harp made a motion, seconded by Frank Frangul, that the following resolution be adopted:

RESOLVED to cancel the umbrella insurance policy in the amount of \$15,000,000.00 and increase the Farmer's general liability coverage from \$1 Million per occurrence/\$2 Million aggregate to \$2 Million per occurrence/\$3 Million aggregate effective May 23, 2004.

The motion was carried and the resolution adopted by a unanimous affirmative vote.

Sunny recommends increasing the deductible to \$5,000.00 and had originally requested insurance information back in November 2003 so the Board could make an educated decision.

Per Brian, there is no deductible for the liability insurance coverage; however there is one for the residential coverage. Brian also informed the Board that the courtesy patrol could have an influence on the coverage premium.

The Board of Directors reviewed the Audit report.

Patty Garman and Renee Gordon are working on a revised 2004 budget.

Dave explained the differences between a cash basis accounting system vs. an accrual accounting system and suggests changing the Pointe South Mountain Residential Association's accounting system to an accrual accounting method.

Dave Harp made a motion, seconded by Mike Harris, that the following resolution be adopted:

RESOLVED to convert the Pointe South Mountain Residential Association's accounting system to an accrual accounting method effective July 1, 2004.

The motion was carried and the resolution adopted by a unanimous affirmative vote.

MANAGEMENT CONTRACT

Dave explained the management contract as it is now and the offer of additional financial services at a flat fee from City Property Management Company.

Sunny inquired about the administrative costs, i.e. who receives the payment for the costs?

Patty Garman explained costs associated directly with vendor vs. CPMC costs.

Sunny requested additional explanation of fees for mass mailings and questioned when the approval was given for the costs. Brian will research the administrative fee further and approval was given upon a Board member's review and authorized payment of such services for the past five years and acceptance by the Board of Directors of each financial statement.

Mike remembers that it was often clarified that there would be additional costs associated with mailings.

Mike Harris made a motion, seconded by Dave Harp, that the following resolution be adopted:

RESOLVED to accept City Property Management Company's offer for a flat fee of \$700.00 to cover all administrative fees except postage and receive credit for fax charges back to January 1, 2004.

The motion was carried and the resolution adopted by a majority vote. Sunny Lee opposed.

Dave would like to obtain a management fee for the court homes vs. the residential homes along with a bid to have separate financials for the court homes and residential homes.

The Board of Directors discussed obtaining bids for a new management company.

Sunny Lee recommends obtaining a legal opinion from the association attorney.

Dave Harp made a motion, seconded by Jane Karkosky, that the following resolution be adopted:

RESOLVED to form a committee (Dave Harp, Sunny Lee, and Jane Karkosky) to review the current management contract with City Property Management Company and develop specifications in order to obtain new bids.

The motion was carried and the resolution adopted by a unanimous affirmative vote.

ARCHITECTURAL COMMITTEE REPORT - LANDSCAPING ISSUES

Susie Moore was present to update the Board of Directors regarding the CC&R plant recommendation list. Per Ekmark and Ekmark, the recommendation list in the CC&Rs cannot be amended without the appropriate vote of the entire membership.

Susie discussed the homeowner who had received approval of zeroscape in the front yard area and the homeowner who was denied.

OLD BUSINESS - PARKING

Frank presented his parking proposal to the Board members as follows:

- There would be two parking tags per homeowner identified by Lot number
- All violations will be noted on the last patrol of the evening by the courtesy patrol
- Homeowners expecting large parties are to give CPMC 48 hours notice in order to inform the courtesy patrol
- All vehicles without a tag will be towed immediately
- The association pays for the towing signs
- United Road Service tows and boots

The Board of Directors discussed modifying the parking policy.

Mike of APS presented once again his company and the parking enforcement program for the homeowner association. APS places two warning stickers on vehicle, then boots and tows by a subcontractor. All vehicles must be registered with APS or they will receive warnings, etc.

Sunny recommends one warning then towing and remove all parking enforcement responsibility from the HOA.

Dave recommends obtaining costs associated with Frank's proposal vs. APS costs. This issued is tabled to the next meeting.

NEW BUSINESS - BIDS FOR RECORDING SECRETARY

The Board of Directors discussed the recording secretary bids.

Mike Harris made a motion, seconded by Dave Harp, that the following resolution be adopted:

RESOLVED to accept the bid submitted by Sandra Lynn for the next Board meeting on a trial basis.

The motion was carried and resolution adopted by a unanimous affirmative vote.

Dave suggests asking Barbara Hanser for a bid. Renee will obtain a bid from Barbara Hanser.

NEW BUSINESS - FICHUS TREE AT SIESTA POOL

Fred Huff made a motion, seconded by Jane Karkosky, that the following resolution be adopted.

RESOLVED to remove a Fichus tree at the Siesta pool including the stump at a cost of \$780.00 and approve a replacement from the recommended tree list.

The motion was carried and resolution adopted by a unanimous affirmative vote.

NEW BUSINESS - US POST OFFICE HIGH SECURITY MAILBOX OFFER

The US Post Office informed PSMRA that they would like to remove the current mailboxes and replace with a more secure metal mailbox. Renee will find out if the Post Office intends to remove the structures that surround the current mailboxes.

NEW BUSINESS - LANDSCAPING ISSUES

The Board of Directors reviewed a homeowner's request to eliminate the sprinklers on 48th Street, as the homeowner is being charged. The association attorney suggests that the association install the proper irrigation in the common area to eliminate homeowner involvement.

Renee is to obtain a recommendation from ValleyCrest regarding irrigation and landscape areas between sidewalks, common walls and homeowner walls.

The Board of Directors discussed invoices submitted by McKeon's Tree Service amounting to \$3,480.00 for work completed since January 1, 2004.

Dave Harp made a motion, seconded by Mike Harris, that the following resolution be adopted:

RESOLVED to pay McKeon's Tree Service \$3,480.00 as invoiced.

The motion was carried and resolution adopted by a unanimous affirmative vote.

The Board of Directors reviewed the palm tree trimming bids submitted.

Sunny Lee made a motion, seconded by Mike Harris, that the following resolution be adopted:

RESOLVED to accept the bid submitted by M&B Tree Service in the amount of \$1,710.00 to trim 76-palm trees.

The motion was carried and resolution adopted by a unanimous affirmative vote.

The Board of Directors discussed the legal opinion obtained from Ekmark & Ekmark regarding the plant list. Per Lynn, if the requested plant material is not on the recommended list then a denial can be given. The recommended list can be changed with a positive majority vote of the association and the vote can be obtained over a period of time.

NEW BUSINESS - TRAIL EASEMENT REQUEST

The Board of Directors discussed the legal opinion obtained from Ekmark & Ekmark regarding the easement. The Board of Directors will conduct a walk through on May 22, 2004.

NEW BUSINESS - CC&Rs: 6-MONTH RENTAL LEASE REQUIREMENT, ANIMALS

The Board of Directors approves CPMC forwarding a letter to all off-site homeowners requesting a copy of the rental lease.

CPMC will review the CC&Rs regarding animals.

WATER SUBMETERING

Per Mike Harris, Tony has not responded or resolved any issues submitted. (See details in the meeting minutes for April 13, 2004.) The meters were not read for May 2004.

Brian will follow up with Tony regarding reading the meters, billing, and etc. along with Mike's list.

ADJOURNMENT

There being no further open session matters to discuss, the Board adjourned the meeting at 10:32 p.m.