

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

Meeting Minutes of February 14, 2006

Directors present: Kay Hatch, President  
Dave Harp, Treasurer  
Frank Frangul, Secretary  
Dana Kennedy  
Mike Harris

Directors absent: Jane Karkosky, Vice President  
1 open seat as a result of Greg Dunivant's resignation

City Property Management Company: Terri Thomas, Community Manager

Recording Secretary: Kristy Meitzler

**Special Guest in Regards to Lot 1585**

Lynn Krupnik of Ekmark & Ekmark, LLC let the Board of Directors know what is going on with Lot 1585 (9227 S. 47<sup>th</sup> Place). The following is a summary:

- Lot 1585 was transferred from Gosnell Development Corporation of Arizona to Pointe Residential Corporation December 30, 1994. See recorded document # 94-0902660.
- Lynn had Kay Hatch sign a Quit Claim Deed to transfer Lot 1585 from Pointe Residential Corporation to The Pointe South Mountain Residential Association June 28, 2005. See recorded document # 05-0884897. This was done without board authorization and was based upon their failure to realize that Pointe Residential Corporation had changed their name to Pointe Marketing Group, Inc. and despite the known fact that HOA dues and property taxes were being paid.
- Money was spent in the fall of 2005 on removal of the non-working fountain and landscaping Lot 1585 without board authorization. Financials reflect landscaping extras of \$3,200 in September and \$1,294.31 in October.
- After being notified by Pointe Marketing Group of the error, Lynn and Kay had to rescind the Quit Claim Deed on January 16, 2006. (recorded January 18, 2006). See recorded document # 06-0072983.

Lynn presented 3 options (details in her letter dated January 10, 2006) for the board to decide upon as follows:

- If the HOA does not want to own the lot, then does the HOA want to pursue the reimbursement of expenses for maintaining the lot?
- If the HOA does want to own the lot, then does the HOA want to pursue ownership by Adverse Possession, by Quantum Merit, or by Quiet Title Action which would entail proving that the HOA had been maintaining the property for a period of 10 years or more?
- Does the HOA want to work out some sort of deal to purchase the property?

**NOTATION:** Lynn offered up to a \$2,000 credit against future work in order to make up for the mistake and was not charging for her time at this meeting.

**HOMEOWNERS' OPEN COMMENTS**

- Angelo Daurio asked questions about Lot 1585 and raised concerns about the mismatch of awnings with only one color option currently approved for court home awnings.
- Ray Gallagher asked for clarification of the parking policy in regards to his situation and the use of magnetic covers over the company logos on the blue and white Silverado supercab company truck.
- Nancy Mahaney reported an abundant of brush in the wash behind 8853-3 S. 48<sup>th</sup> Street. Mike Harris noted that there was a detailed landscape maintenance bid specification including the quarterly maintenance of the natural washes to be reviewed tonight.
- Bill Lambrakis asked about the Courtesy Patrol monitoring of non-residents cutting through the HOA.
- Jordan Ristich noted that the east side lights of the 48<sup>th</sup> Street bridge have been out for a while. Mike Harris noted that he had provided a complete list of lights out to Terri by email on January 31, 2006 and Terri Thomas noted that Dave Dalton was taking care of the issue.

**CALL TO ORDER**

- Steve Musegades of Sunland Asphalt who was scheduled to give a presentation cancelled due to illness.
- Ernie Marion of KY-KO Roofing Systems who was also scheduled to give a presentation cancelled due to being out of town.
- Kay Hatch called the meeting to order at 7:25 p.m.

**RATIFICATION OF MINUTES**

Minutes of January 10, 2006 Regular Monthly Meeting were submitted for review and approval. Mike Harris made the following corrections/notations:

- Minutes should reflect he arrived at 7:05 p.m., which was after appointment of Dana Kennedy, which he supported since she had the next most votes, and before the Organization of Officers.
- He had voted against the ratification of the minutes of the Special 2006 Budget meeting held November 15, 2005 since all corrections had not been made.
- The 18 addresses of the awnings to be replaced for up to \$5,000 should be added into the minutes.
- Minutes should note that board denied payment of \$650 for sealing of all openings ("Exclusion") in order to prevent entrance of scorpions at 8635-3 S. 48<sup>th</sup> Street.

Mike Harris made a motion, 2<sup>nd</sup> by Dave Harp, that the following resolution be adopted:

**RESOLVED** that the minutes of the Board of Directors of the Association meeting held January 10, 2006 is a true and accurate record of the meeting and is hereby ratified as corrected. Motion carried unanimously.

#### INSURANCE RENEWAL

After some discussion about the deductible, Mike Harris made a motion, 2<sup>nd</sup> by Dave Harp that the following resolution be adopted:

**RESOLVED** that the insurance policy for property, liability, and crime coverage with the \$2,500 deductible be renewed for an annual premium of \$70,450.00 and the Directors & Officers Liability Coverage policy for an annual premium of \$2,050.00 be approved (Total: \$72,500). Motion carried unanimously.

#### ARCHITECTURAL COMMITTEE REPORT

Darla Ericson was there to recap the previous nights ACC Meeting. The majority of the ACC Meeting was spent discussing the awnings for the Court Homes in regards to the multiple complaints about mixed colors. Currently alpine (dark green) is the only colored approved for court home awnings. She requested permission for an awning committee to be formed and the board granted permission. Mike Harris recommended that the Architectural Committee simply approve the reuse of the existing awning colors in order to avoid the mismatching problem which would otherwise result from the current practice of only replacing damaged awnings rather than all awnings at once.

Mike Harris made a motion, which was 2<sup>nd</sup>, that the following resolution be adopted:

**RESOLVED** that John Bonander be formally appointed as first alternate to the Architectural Committee. Motion carried unanimously.

#### MANAGEMENT REPORT

##### Reserve Study

- Terri Thomas reported that Reserve Data Analysis, Inc (RDA) could not meet until April 14<sup>th</sup> to begin work.
- Terri also reported that KDT Construction has offered their consulting service to review and determine the exact needs (parking lots, roofs, balconies, carports, etc.) of the community and that KDT Construction would put together a Request for Proposal (RFP) for free. The board agreed to accept the free RFP.

##### Parking Policy

There was a discussion about what constituted a "commercial" vehicle. Mike Harris supported using the MVD definition of greater than 26,000 pounds. Dave Harp disagreed. While Mike Harris received no 2<sup>nd</sup> for his formal motion, the following was informally agreed upon:

Ray Gallagher would be able to park his company's blue and white Silverado supercab truck on the property as long as the company logos are covered with magnetic sheets matching the color of the truck.

##### Garbage Issues

Terri reported that several Court Home residents continue to put their bags & other items out prior to sunset on the designated days and that several \$50 Rewards have been paid to date putting the program over its original \$500 authorization. Terri asked if the Board wanted to continue the program. No formal motion was made, but it was agreed that the Rewards Program would be discontinued effective with the publication of the next newsletter, which would contain such notice.

##### Outstanding Berghoff Landscaping Invoices

Berghoff Landscaping balance of approximately \$24,000 is still being researched at this time and will be resolved and reported at the next Board meeting. They claim that they performed all work listed on the invoices and will continue to pursue payment in full. A meeting is scheduled for 1 PM on Thursday (2/16/06) at the Berghoff offices.

##### Recoating of Capistrano Flat Roofs

Terri reported that KY-KO would complete recoating of the Capistrano flat roofs by the end of the month.

##### Curbside Trash

Terri reported that there are no other vendors that offer trash pickup for non-containerized neighborhoods.

##### Sweeping Proposals

Terri will contact vendors Sunstate Sweeping, Mr. Dirt of Arizona) in regards to equipment type, areas covered, total pricing and overall clarification of the submitted proposals in order to compare with the existing vendor (LandCorp Sweeping).

##### Dave Dalton Projects

Terri reported the Northeast Vantage Pointe Pool Area Walkway lights have been changed out and the South walkway area lights will be completed this month.

#### TREASURER'S REPORT

Dave Harp noted the following:

- Landscaping accrual of \$6248 (account 5295) for court homes should have been included in January financials.
- \$3,500 for painting of mailbox structures should be reclassified from account 5307 to common area reserves.

Dave Harp made a motion, 2<sup>nd</sup> by Mike Harris, that the \$3,500 should be reclassified from account 5307 to the common area reserve account. Motion carried unanimously.

#### NEW BUSINESS

**Traffic Sign @ Siesta & 51<sup>st</sup>**

There was a discussion in regards to a concern with traffic on the Siesta/Hazel/51<sup>st</sup> Street loop expressed at the Annual Meeting. Mike Harris noted that he supports the suggestion made at the Annual Meeting to turn it into a one way loop. Dave Harp recommended a stop sign @ Siesta & 51<sup>st</sup> instead. CPMC will evaluate the options along with costs and submit them to the board.

**Asphalt Sealing**

Terri will meet with Kay Hatch and Sunland Asphalt prior to the next board meeting to go over his proposal and review the letter received from the resident (Bill Lambrakis) that was an Asphalt Consultant. Bill stated that the HOA could probably go another 2 years before sealing is needed on the major roads.

**OLD BUSINESS**

**CPMC Property Management Contract Increase & RFP**

\$900 price increase to \$9,572.25 per month (from \$8672.25) effective March 1, 2006 per letter dated February 10, 2006 from Brian Lincks (page 16 of packet) was discussed along with the development of an RFP for going out to bid. Kay Hatch stated we had no choice but to pay the increase. Mike Harris disagreed stating that any increase had to be approved by the board. No vote was taken.

The aforementioned letter stated Brian "will be sending out two (2) RFP's to similar management companies on behalf of the association. These RFP's will be returned directly to Mr. Kay Hatch at his residence, as well a copy of the RFP to be sent to Mr. Kay Hatch for his use during the week of February 13, 2006." The identity of the two other management companies was not disclosed.

Mike Harris noted that this did not agree with the following motion passed at the September 10, 2005 board meeting:

City Property Management Company to develop an RFP to be submitted to the Board for its consideration at the October meeting. RFP required to include a specific rate breakdown by unit type (e.g. \$#.##/month for each of the 405 courthomes, \$#.##/month of each of the homes without a separate city water meter for which management company must determine water/sewer bill amounts, and \$#.##/month for each of the homes with a separate city water meter or which otherwise does not require the property management company to determine its water/sewer billing amount. Upon approval, RFP would be submitted only to **major** property management companies.

Mike Harris noted that no RFP has yet even been provided to the board; therefore, no RFP has yet been approved by the board. Kay Hatch stated that the RFP would be brought to the next meeting for review and approval prior to submission for actual bids.

**Landscape Maintenance and Tree Maintenance RFP Bid Specifications**

Mike Harris made a motion, 2<sup>nd</sup> by Dana Kennedy, that the following resolution be adopted:

**RESOLVED** that the draft RFP for Landscape Maintenance (pages 17-27 of the management packet) be approved and submitted to vendors for bids. Motion carried unanimously.

Mike Harris made a motion, 2<sup>nd</sup> by Dave Harp, that the following resolution be adopted:

**RESOLVED** that the draft RFP for Tree Maintenance (pages 28-41 of the management packet) be approved with the deletion/emptying of the Notes column on pages 36-41 and submitted to vendors for bids. Motion carried unanimously.

CPMC will set up pre-bid meeting prior to next board meeting with current landscaper (Paramount) and at least two other vendors.

**Courthome Flat Roofs**

Questions were raised in regards to the roofing bids (\$267,100 for Paul's Roofing and \$260,517 for Sprayfoam Southwest, Inc.) for 36 Gosnell Flat Roofs included in the packet. Issue was tabled until the next meeting so that CPMC could gather more information.

**CORRESPONDENCE**

- Dave Harp complimented the presence of the requested and detailed phone log.
- Mike Harris requested the addition of lot numbers to the violation report and items to be evaluated for possible fines are clearly noted.

**Court Home Balcony Maintenance Policy**

In regards to a request for balcony repairs at 8813-1 S. 51<sup>st</sup> Street (an item tabled at the last board meeting), a discussion took place regarding the extent of the HOA's responsibility. Mike Harris suggested the following:

As part of the exterior maintenance of Courthomes in regards to balconies, the HOA shall only be responsible for the support, framing, and railings of any existing balcony. This policy is consistent with the HOA only being responsible the **floor slab** and below as explicitly defined by the Exterior Residence Lines of a Courthome in Section 6.2 of the CC&Rs. In other words, the individual owners are responsible for the actual decking.

Mike Harris also noted the following based upon his inspection of a couple of balconies:

- Current decking was nailed down instead of screwed down and many nails are popping up.
- Current decking appears to never have been sealed.
- Recommend article in newsletter explaining policy and recommending owners replace nails popping up with wood screws and to also seal their decks.

No formal motion was made, but majority of board agreed that maintenance of complete balcony including decking would be considered the responsibility of the HOA. Mike Harris noted the current reserve study does not reflect this policy and hence should be updated to reflect this added potentially very significant immediate (due to liability issues) drain on an already severely depleted court home reserves.

**Posting of Quarterly Payment Reminder Notices on Mailboxes**

Mike Harris noted that quarterly payment reminder notices were not posted on mailboxes per resolution passed at the April 13, 2004 board meeting. Terri had noted that notices were not posted because CPMC had not detected a collection issue for assessments.

Mike Harris made a motion, 2<sup>nd</sup> by Dave Harp, that late fee be waived for Lot 300017 per written request (page 66 of packet). Motion carried unanimously.

**ADJOURNMENT**

There being no further open session matters to discuss, Board of Directors adjourned meeting at 9:20 p.m. The next meeting is scheduled for March 14, 2006.