

**CONTINENTAL RANCH COMMUNITY ASSOCIATION
BOARD OF DIRECTORS' MEETING – COMMUNITY CENTER
WEDNESDAY, 18 AUGUST 2010 -- 7:00 P.M.**

The Board of Directors of the Continental Ranch Community Association met on Wednesday, 18 August 2010 at the Community Center. Directors present: Mr. John Lambert, President; Ms. Marilyn Stimpson, 1st Vice-President; Ms. Peggy Bracken, Secretary; Mr. Gus Lipins, Treasurer; Mr. Larry Lemieux, Director (via telephonic link). Absent: Ms. Connie DeLarge, 2nd Vice-President; Mr. Terry Paschen, Director. Guests present: Mr. David L. Weed and Mr. Scott Potter, representing JacksonWhite Attorneys at Law, Mesa, AZ; Mr. Clint G. Goodman, Goodman Law Office, Mesa, AZ; Mr. Greg Stam, Athletic Director, Redeemer Lutheran School, Marana, AZ. Also present: Ms. Dale DeMen, Community Manager; Mr. Josh Seng, Assistant Manager and nine residents.

I. CALL TO ORDER:

Mr. John Lambert, President, called the Board of Directors' regular meeting to order at 7:03 p.m.

II. ROLL CALL/QUORUM:

Four members of the Board of Directors were in attendance with Mr. Lemieux also present via telephonic link for the first half of the meeting. Quorum of four required for the conduct of Association business.

III. APPROVAL OF AGENDA:

Amendments were made to the agenda: Additional item to IX. President's Message regarding committee quorum; add Treasurer's Report; remove item B. from VIII, Consent Agenda and add to New Business; add documentation of Board of Directors' recent reorganization; add planter box upgrade. **MOTION made/seconded (Bracken/Stimpson) to approve the agenda as amended. Unanimously approved.**

IV. HOMEOWNER FORUM (for items not on the agenda):

As a point of general interest, Mrs. Alice King announced the postponement of the Town of Marana's action regarding the new landfill. This was the result of a public meeting held Tuesday, 17 August 2010, at which several Continental Ranch residents attended.

V. MINUTES' APPROVAL:

MOTION made/seconded (Lipins/Stimpson) to approve minutes of the 21 July 2010 meeting. Unanimously approved.

VI. APPEALS/REQUESTS/WAIVERS INITIATED FROM HOMEOWNERS: None.

VII. CONSENT AGENDA:

A. ACKNOWLEDGE RECEIPT OF COMMITTEE MINUTES:

ARC—15 July and 5 August 2010; Finance—22 July and 12 August 2010; Activities—4 August 2010; Landscape—3 August 2010 recommending replacement of all plants that died during the past year at cost not to exceed \$2,546 (within budget), recommending proposals for Marbella II to extend grouted rip-rap, additional plantings, replenishing decorative rock, for a combined total of \$14,600 (within budget); recommending acceptance of upper tree maintenance proposal from Brijer Resources at a cost not to exceed \$13,000 (within budget).

B. COMMITTEE APPOINTMENTS:

Appoint Mrs. Nancy Lambert to Landscape Committee.

C. FINANCIAL REPORTS:

Accept June and July 2010 Financial Reports.

MOTION made/seconded (Stimpson/Bracken) to accept the Consent Agenda as amended. Unanimously approved.

VIII. TREASURER'S REPORT:

Mr. Lipins presented the financial report as of 31 July 2010: Operating cash, \$375,762.59; Reserve balance of \$1,112,538.92 includes \$13,622.38 in the restricted Sunflower Light Mitigation Fund and \$1,098,916.54 in the Reserve Fund; Accounts Receivable, \$189,193.65; total assets, \$1,677,495.16.

IX. PRESIDENT'S REPORT:

Mr. Lambert led discussion with Finance Committee members in attendance on a proposed \$18,000 expenditure for granite throughout Continental Ranch, indicating a possible re-look at the Reserve Study to amortize this cost out in the future to a three-year period. **MOTION made/seconded (Lipins/Bracken) to approve expenditure of \$18,000 for one year. Unanimously approved.**

Mr. Lambert also indicated a need to reinforce various committees that have committee members away on vacations etc. and thereby lack quorum for routine business. In these cases, Mr. Lambert recommends the Board-assigned Liaison be authorized to fill such a gap and be allowed to participate/vote as residents in the interest of committee productivity. **MOTION made/seconded (Lambert/Stimpson) in the absence of a quorum at committee level, the Board Liaison be authorized to establish quorum requirement and allowed to vote if required.** Discussion: In the past, management personnel had been given this authorization; however, Board members are homeowners and have a vested interest in the workings of the Association. Committee recommendations still come before the Board for final approval. **Unanimously approved.**

X. COVENANTS COMMITTEE:

Management recommends parking violation #17727, be turned over to the Town of Marana for handling; for the second parking violation, #19606, Management will pursue the flat-tire situation.

XI. LAW FIRM PRESENTATIONS:

Association attorney, Mr. Clint Goodman of JacksonWhite, Mesa, Arizona, has recently opened his own office, Goodman Law Office, Mesa, Arizona. Decision needs to be reached regarding remaining with JacksonWhite with another attorney handling Continental Ranch requirements or moving to Goodman Law with Mr. Goodman remaining as the Association's attorney.

Mr. David L. Weed and Mr. Scott Potter, attorneys, presented their credentials of years of Homeowner Association reputation within their firm, and their willingness to continue service to Continental Ranch without any break in the current working arrangement. Mr. Weed indicated fiduciary responsibility, the firm's high rating, 20 attorneys on staff, and that he, personally, would be the primary point of contact. Mr. Clint Goodman stressed his availability, his personal working relationship with both the Board and Management teams, and lower fees because of his now lower overhead expenses. He indicated a continuation of service, immediate consultations, and assured that CRCA collection files are up to date. To question surfaced, both speakers indicated a fare-share transition of collection funds and reaffirmed there was a good working relationship between them.

XII. FINANCE COMMITTEE:

The committee presented a proposed budget for Fiscal Year 1 November 2010-31 October 2011, indicating no increase in residential assessments. There was discussion on the three AC units, with only two accounted for within the Reserve Study, one new capital item added, contingency fund, forth-coming digital imaging plan involving the old records which were never properly filed, remaining "on track" with the Reserve Study, better scheduling of community needs in the future, etc.

Regarding proposed cost-savings, Ms DeMen advised that the pool monitors' schedule had been revised. It was suggested that the Windmill Park pool remain heated; continue to heat the kiddie pool at the Center until 1 October; turn off the Center pool heating system now, since lap swimmers at the Center pool indicate water is too warm.

It was also noted by Management that the local scouts had taken on the task of sifting the sand in the Windmill Park play area as a community service project. Mr. Lambert indicated a letter of appreciation should be forwarded for this assistance in maintaining the area at a great cost savings to the Association. These items given as directive to Management without motion.

MOTION made/seconded (Bracken/Lipins) to approve the proposed budget for Fiscal Year 1 November 2010 through 31 October 2011, as presented. Mr. Lambert complimented Mrs. Debbie Budd and Mr. Dale Hanson for their sincere lead in this budgetary preparation. **Unanimously approved.**

XIII. ARC COMMITTEE:

A. DIRECTIVE:

The committee requested the Board to give directive concerning use of aluminum in patios throughout the community. ARC also found statements within the Design Guidelines which could be clarified to help residents better interpret meaning and help the committee to make approval decisions. Mr. Lipins favors handling these matters on a case-by-case basis. Mr. Lemieux indicated that the Town of Marana will approve any building materials so long as the project is built properly. Following lengthy discussion, Mr. Lambert directed ARC write a proposed clarification taking the Specific Plan and CC&Rs into consideration, and submit to Management for attorney opinion.

B. APPEAL ACTION/POSTPONED FROM JULY MEETING:

In an appeal carried over from the July meeting, Mr. and Mrs. John Fennema again presented their request for authorization to attach a solid aluminum patio roof to their home. The addresses of 21 residents with similar construction in place have been submitted to Management. Mr. Lambert continued to inform the residents that the installation itself was not in question, pending proper permits from the Town of Marana; however, the Board must abide by the Specific Plan and the CC&Rs regarding actual construction materials. To concerns about Sunflower Community Association's many similar structures, Mr. Lambert indicated these were part of the original builder package. He personally toured portions of the community to view current homeowner installations, but did not appear to have aluminum roofs. He requested specific addresses in order to continue his research. Lengthy discussion recapped information previously discussed.

MOTION made/seconded (Lemieux/Lipins) to disapprove the resident's request, uphold the current ARC decision, and abide by the Specific Plan and CC&Rs. In further discussion, Mr. Lambert suggested that the Fennema's consider a different roof design and re-submit a new plan to ARC for patio construction. **Unanimously approved.**

MOTION made/seconded (Lemieux/Lambert) to adopt the new paragraph submitted by ARC at the study session in August, and include it in the current Design Guidelines. One affirmative vote (Lemieux; three negative votes). Motion denied and will be reconsidered when new rewrite is presented.

XIV. NEW BUSINESS:

A. ELECTION REQUIREMENTS:

1. ELECTION COMMITTEE:

Names of those volunteering to serve on the Election Committee will be submitted to Management immediately, to be considered by the Board for appointment within the proposed time-line.

NOTE: Mr. Lemieux terminated his telephone connection.

2. NOMINEES FOR BALLOT:

To date, there are three candidates nominated to fill three Board of Directors' vacancies. Bylaws do not indicate authorization for a simple general consent motion; therefore, attorney opinion indicates full election procedure be initiated unless a quorum would be present at the annual meeting for a resident vote at that time. The three candidates'—Mr. John Lambert, Ms. Connie DeLarge, Mr. Larry Lemieux—recommended by the Nominating Committee and accepted at the July meeting, will be placed on the ballot along with any others who may petition by 21 August 2010 according to our current bylaws' procedure. **MOTION made/seconded (Bracken/Lipins) to certify the slate of candidates as presented, so long as no petition from a homeowner to run for the Board of Directors is received between now and 21 August 2010. Unanimously approved.**

3. DATE OF RECORD FOR ANNUAL MEETING:

MOTION made/seconded (Lambert/Lipins) for the Board of Directors to accept the date of 11 September 2010, which is 40 days prior, as the date of record for the annual meeting to be held on 20 October 2010. Unanimously approved.

B. REDEEMER LUTHERAN SCHOOL REQUEST:

In a letter to the Board of Directors dated 12 August 2010 from Mr. Greg Stam, Athletic Director of Redeemer Lutheran School, use of a pool for small group P.E. activities during the first quarter of the school year—August to 22 October 2010 was requested. Mr. Stam's goal is to encourage physical activity through lap swimming and teaching swimming strokes. The school meets all requirements regarding insurance, supervision, instruction, etc; however, is not located within Continental Ranch. **MOTION made/seconded (Lipins/Stimpson) to allow Redeemer Lutheran School use of the Center pool for small-group, P.E. purposes, beginning now through 22 October 2010.** Discussion followed regarding students being primarily from within Continental Ranch, justification for an outside C.R. pool-use request, etc. **Unanimously disapproved.** Mr. Lambert suggested Mr. Stam contact the Pool Committee for additional information.

C. LEGAL REPRESENTATION:

MOTION made/seconded (Bracken/Lipins) to retain Mr. Cliff G. Goodman. Goodman Law Office, Mesa, Arizona as attorney for Continental Ranch Community Association. Unanimously approved. Lambert thanked Mr. Weed, Mr. Potter, and the staff of JacksonWhite for their representation and a "great job" in the past.

D. HOME INSPECTION UPON SALE OR TRANSFER:

Board and Management jointly discussed the procedures followed regarding inspection of properties within Continental Ranch upon sale or transfer. Currently, property is not physically inspected; however, paperwork is filed and transfer fee initiated. An actual inspection is needed in order to bring files up to date with current documentation, and account for any modifications made without ARC approvals to be incorporated into the

property file. A \$35.00 fee will be initiated. **MOTION made/seconded (Lambert/Lipins) to authorize Management to inspect homes upon sale or transfer.** Resident concern: Inspections of rear yards and landscaping are not usually conducted. Landscaping not an issue here; only modifications/additions to home and/or other structures installed. The fees and inspections serve as "certification" to a new homeowner that everything is in order and that the property file is current. **Unanimously approved.**

E. WINDMILL PARK ASPHALT:

An upgrade of the asphalt surface at Windmill Park is necessary. Three bids were obtained. Reserves indicate an amount of \$26,350.00 available for this project. Bates Asphalt bid of \$27,875.90 appears to be a preferable long-term installation, for 17,400 square feet, but is over budget by \$1,526. **MOTION made/seconded (Lambert/Lipins) to approve Bates Asphalt's proposal of \$27,875.90 to reclaim and repave the Windmill Park parking lot. Unanimously approved.**

F. BOARD OF DIRECTORS' REORGANIZATION:

Due to the recent resignation of the Board of Directors' 1st Vice-President, it is now necessary to restructure positions for the remainder of the fiscal year. **MOTION made/seconded (Bracken/Lambert) to appoint Ms. Marilyn Stimpson (from 2nd VP) to the position of 1st Vice-President; Ms. Connie DeLarge (from Treasurer) to the position of 2nd Vice-President; Mr. Gus Lipins (from Director at Large) to the position of Treasurer. Unanimously approved.**

XV. UNFINISHED BUSINESS:

A. SILVERMOON WALL/PARCEL 17:

MOTION made/seconded (Lipins/Bracken) to not pursue getting bids to repaint the Silvermoon Wall, Parcel 17. Discussion among Board members and residents indicated continuing disagreement regarding maintaining this wall area on private property, regardless of the actions of a previous Board of Directors to maintain another similar area, thereby possibly creating a precedent. Legal opinion received indicates the Association assumed responsibility for the upkeep of that one section. Continuation of this action could eventually become a financial burden. Current Board of Directors is not responsible for previous incorrect decisions. Also, there is a letter in Association files informing the homeowners in that area that the wall on their property would not be painted with Association funding. Precedents, huge maintenance costs, and legalities continue to dominate opinion. **Unanimously approved.**

XVI. MANAGER'S REPORT:

Ms. DeMen reiterated that the primary focus of the management team is to serve the owners within Continental Ranch and the Board of Directors. She announced a replacement for Ms. Fran Burke of Ms. Aime Salinas on 27 August 2010. Mr. Kyle Nickel is transitioning to be the ARC liaison, in addition to his duties with Covenants' issues. Mr. Josh Seng handles pool, landscape and facilities issues, and Ms. Jocelyn Canovali continues with activities and newsletter duties. Ms. DeMen requested Board

authorization to close the office for about 20 minutes each Monday for routine staff meetings. The team continues to investigate gopher bids, bollards, light pole installation for the Center parking lot, asphalt bids, scanning and storing archived documents digitally beginning in November, preparations for new budget, elections and the annual meeting.

Mr. Lambert noted that newly-installed road signs read "Coachline Road" and need to be corrected to "Coachline Boulevard."

**XVI. COMMUNITY CENTER PLANTER UPGRADE:
MOTION made/seconded (Lipins/Stimpson) to reject a proposal to upgrade the Center sign planter box. One affirmative vote (Lambert); three negative votes.
Motion denied.**

XVII. ADJOURNMENT:
With no further business, **MOTION was made/seconded (Lipins/Bracken) to adjourn at 9:02 p.m. Unanimously approved.** Executive session with counsel present to follow.

Upcoming Dates:

Board Study Session – Wednesday, 8 September 2010 @ 6:30 p.m., Community Center.

Board Meeting – Wednesday, 15 September 2010 @ 7:00 p.m., Community Center.

(Tentative) Board Meeting – Wednesday, 6 October 2010 @ 7:00 p.m., Community Center, to complete current year business.

Annual Meeting – Wednesday, 20 October 2010 @ 7:00 p.m., Twin Peaks School.

PEGGY BRACKEN, Secretary

Attachments for file:

Sign-in Sheet

Amended Agenda

Committee Minutes

Treasurer's Report

Law Firm Presentations

Proposed Budget for FY 2010-11

Election Timeline

Lutheran School Request

Repaving Proposals

Center Planter upgrade Proposal

Any other documentation pertaining to this meeting.

(Minutes by Edna M. Coburn; reviewed by Board of Directors)

