

**BOARD OF DIRECTORS
MEETING
TUESDAY, MARCH 20, 2007
9:30 A.M. at the BALLROOM**

Call to Order: 9:30 A.M.

Verification of Quorum:

All seven members of the Board of Directors were present.

Board Meeting Minutes: Jim Brannan moved approval of the minutes of the March 6, 2007 minutes as amended. Carried.

Correspondence: Manager Dell McKinney has received an injury claim that was referred to the insurer. There was also a letter regarding cleaning, which was withdrawn.

Treasurer's Report: Treasurer Stam reported that total cash on hand is \$676,223 and the Activity Fund totals \$47,812. The Treasurer's report was accepted as read.

Compliance Manager's Report: Compliance Manager Larry Martin reported that there are now 838 Park Models with 12 new units coming to the Park (79%). There are 430 Habitable (Arizona) Rooms with several more being constructed. The number of units is posted at the ARC Office. He stressed that the rules work because of cooperation among residents.

New antenna equipment is being installed for the wi-fi installation. They hope to test and have it ready for the next season.

Manager's Report: Manager Dell McKinney reported 911 spaces occupied at this time; the total is 21 lower than last year. She also commented on several concerns around the Park and reviewed the summer work schedule.

Old Business:

1. **Facilities Committee Charter:** Paul Borne moved to approve the Facilities Committee Charter, and to add Pat Cavanaugh to the committee. Motion seconded and passed.
2. **Operating Budget for 2008:** Treasurer Marge Stam moved to take the Operating Budget from the table, and that the FY 2008 Operating Budget be adopted. The motion was seconded, and carried unanimously after discussion including comments by lot owners.
3. **Activity Budget:** On a motion by Stam, the Activity Budget was lifted from the table. Treasurer Stam then moved that the Activity Budget for FY 2008 be adopted. . The motion was seconded and carried unanimously after explanation followed by Board discussion and lot owner discussion.
4. **Reserve Budget:** Marge Stam moved to take the three FY 2008 Repair/Replacement Reserve priorities from the table. Each project was presented and voted on individually.
 - A. **Replace Swamp Coolers in the Ballroom:** Treasurer Stam moved to approve the expenditure of up to \$50,000 from the Repair/Replacement Reserve fund to replace the swamp coolers in the Ballroom with heat

pumps. Motion seconded and carried following discussion by Board and lot owners.

B. Street Projects: Marge Stam moved to approve the expenditure of \$63,800 from the Repair/Replacement Reserve fund to repair streets. The motion was seconded, and a brief description of the proposed projects was given. Following discussion by Board and homeowners, the motion was approved unanimously.

C. Design and Decorations: Treasurer Stam moved that \$5,000 from the Repair/Replacement fund be approved for refurbishing common areas of the resort. Motion was seconded and passed unanimously after Board and homeowners were given opportunity for discussion.

- 5. Electrical Repairs Project:** Marge Stam moved to take the electrical repairs project from the table. After approval, she then moved that the FY 2007 Repair/Replacement budget be revised to include a total of up to \$30,000 for electrical repairs to Building E, the Arts and Crafts Building. The motion was seconded. In discussion by Board and homeowners, the original emergency character of the work was described; it will be finished during FY 2007. The motion passed unanimously.

President Gibson announced that the expense budget for FY 2008 has been set, and asked homeowners to prepare for P & D meetings in January 2008 with FY 2009 proposals.

- 6. Revised Reserve Study Proposal:** Ken Crites moved approval of up to \$6,500 for the Professional Reserve Study proposed by Reserve Advisors, Inc. The motion was seconded. In discussion, the P & D committee outlined their further investigation of the proposal, which included direct conversations with President Gibson. There was considerable discussion by homeowners and among the board regarding the need and also of the adequacy of the present Reserve Study. The motion to approve the Professional Reserve Study passed with 4 votes for the motion and 2 votes against.

New Business:

1. President Gibson announced that an Emergency Board Meeting had been held on March 9, when a height variance exceeding 14 feet was given to Lot 839 for a Park Model. Changes in the ARC Guidelines will be considered in the Ad Hoc Committee report.
2. **Committee Appointments:** The President announced that there are 14 standing committees and 5 ad hoc committees in the Park. Several standing committees are still in need of members. He thanked the homeowner participants for their participation and effort.
3. **Fines and Violations:** Ed Borner presented the report of the Ad Hoc Committee on Fines and Violations. The Draft Report is to amend Part 5, Transportation Vehicles and Parking and also Part 15, Para 15.2, Violations and Enforcement.

This Amendment #3 was drafted on the recommendation of the Park attorney and includes a Tow Without Warning policy and changes the approach for various fines. There are also revisions regarding nonpayment of fines and assessments. Phil Parsons moved adoption of Amendment #3 as proposed, and forwarding to Hugh Vernon, Documents Committee Chair, for codification into the Park Rules and Regulations. The motion was seconded and passed unanimously.

4. **The next item on the Agenda was a report by the Ad Hoc Committee on ARC Guidelines.** Jim Brannan moved to continue this meeting on Tuesday, March 27 at 9:30 AM. The motion was seconded and carried.

The meeting was continued on Tuesday, March 27, 2007 at 9:30 with President Gibson presiding and all 7 Board Members present. The principal agenda item was consideration of the Report of the Architectural Design Guidelines Ad Hoc Committee.

1. **Paul Borne moved adoption of the Architectural Design Guidelines** recommended by the Ad Hoc Design Guidelines Committee. The motion was seconded, and discussion on the 40 pages of recommendations was declared in order.
2. President Gibson announced that the finished Guidelines will be sent to Hugh Vernon, chair of the Documents Committee for codification.
3. The Chair read each section from the proposed text. Minor changes in wording or emphasis were accepted by consensus at the end of each segment. Motions to amend significant sections are highlighted below. The text as amended is attached.
4. **Park Model Placement:** Phil Parsons moved to amend by striking Section 5.6.A that requires 16" to 20" clearance above the lot surface. The motion was seconded and discussed at length. The motion to strike was defeated by a vote of 2 in favor and 4 against. A motion to approve the original wording by Jim Brannan was seconded and passed by a vote of 4 to 0.
5. **Maximum height of Park Models:** Phil Parsons moved to amend Section 5.6.G by changing the maximum height to 15 feet to the peak of the roof when measured at the front axle. Ten homeowners spoke in favor or opposition to the motion. The motion failed for lack of a second.
6. **Two Story or Loft Models:** Adele Finnemann moved to amend the proposed Guidelines by striking Section 5.6.I. There would then be no restriction on this type of unit. The motion was seconded. After discussion and 4 homeowner comments, the motion passed unanimously.
7. **Santa Fe Models:** Paul Borne moved that no Santa Fe Models be approved. After discussion of definitions and other guidelines, the motion was dropped.
8. **Age of RV and Park Model Units:** Section 5.7.C deals with age of RV units. Discussion focused on allowing used Park Models older than 10 years. Adele Finnemann moved to amend the proposed Guidelines by adding the following section:
Park Model Installation
"All used Park models must be inspected prior to installation. Park Models more than 10 years old are prohibited.

The motion was seconded, and discussed, including comments by 3 homeowners. The motion passed unanimously.

9. **Utilities:** Paul Borne moved to amend the proposal by changing Section 5.8.E Amateur Radio Antennas to restore the term "27 feet above the roofline." The motion passed unanimously. Discussion then moved to installation of water conditioning equipment. Paul Borne moved to add Section 5.8.G Installation of Water Conditioners must be adjacent to the rear of the Park Model. The motion was seconded and passed unanimously. A question was raised by a homeowner and answered by the Compliance Officer.
10. **Storage Cabinets:** Paul Borne moved to amend the motion to ban storage cabinets. The motion failed for lack of a second. Refining the existing wording was left to the Documents Committee.
7. **Landscaping Guidelines:** Marge Stam moved to amend Section 5.17.J of the proposed Guidelines with the sentence "Costs of removal will be assessed to the property owner." The motion was seconded and carried.
8. **Palm Trees:** Phil Parsons moved to amend the motion by adding Section 5.17.K.7 to say, "Nails, screws or defacing palm trees is prohibited." The motion to amend was seconded and passed.

Vice President Borne reconvened the meeting in the absence of the President after recess for lunch.

9. **Pedestal and Electrical Discussion:** There was considerable discussion about the electrical system photos shown with definitions of the obligations of the various parties. Several questions by homeowners were answered and discussion of a plan was deferred until after the Guidelines are completed.
10. **Omissions:** Adele Finnemann asked where parking regulations are considered. They are part of the Rules and Regulations, and not addressed in the Guidelines.

The adoption of the motion to approve the changes to the Guidelines proposed by the Ad Hoc committee was then considered. The question was called, and the motion to adopt was passed by a vote of 3 to 2. The adopted recommendations will now be given to the Documents Committee for review and correction of wording if necessary, and will be returned to the Board in the fall for adoption.

Other Items of Business:

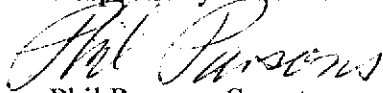
1. **Capital Expenditure by Activities:** Jim Brannan moved that the same \$3,000 policy limitation to capital expenditures without Board Approval be applied for both Park Manager and Activities Director. The motion failed for lack of a second.
2. **Committee Appointment:** Ken Crites moved that Paul Schmeil be appointed to the Web Site Committee. Motion seconded and carried.
3. **Park Electrical System:** Attention was called to the electrical distribution system in the Park. There is need for maintenance and long term planning. Phil Parsons moved the following: "Whereas the Park's local electrical service to lot owners is operated by Salt River Project, and is as old as the Park, I move that an Ad Hoc Electrical Service Committee composed of residents knowledgeable in

electrical service and the contracts within the Park be appointed to study and make recommendations regarding the present state of the system, maintenance and improvements for long term use, and any other considerations that will improve lot owner facilities.” The motion was seconded and passed unanimously. Ed Borner agreed to be the chair, with Jerry Bray, Jim Larson and Ron Ward suggested. Others will be appointed and a Charter prepared.

4. **Thanks** were given to the Ad Hoc Committee, and congratulations given to the Board, which met in continued sessions for 7 hours.
5. **Meeting Schedule:** There was discussion regarding Board meetings in November and December. The dates for Thanksgiving and Christmas limit travel days for Board members. Phil Parsons moved to hold the November and December Board meetings on the first and second Tuesdays instead of the first and third Tuesdays. The motion was seconded and passed unanimously.

There followed a motion to adjourn by Adele Finneemann. The motion was seconded and carried.

Respectfully submitted:


Phil Parsons, Secretary

Signed:

Leroy Gibson, President