

**ARTEMINA HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
DATE: October 23, 2003**

The Artemina Homeowners Association, Board of Directors open meeting was held at Perkins Restaurant on the NE Corner of Arizona Avenue and Warner Road at 7:00 P.M. (MST).

Board Members Present:

Randy Kunzelmann, President
Ron Jarvis, VP and Treasurer
Frank J. Danielson, Secretary
Jamie Limber, Director
Lance Tolstedt, Director

All Board Members were present.

Community Management Present:

Maggie Pinckard-Story, Community Manager and Lori Loch-Lee, Vice President with Rossmar & Graham.

Guests Present: Approximately five (5) Homeowners were present.

Open Forum: Randy Kunzelmann, Board President, opened this month's Board of Directors Meeting at 7:03 P.M. (MST) to an Open Forum to enable open discussions among the Homeowners in attendance, Board Members and the Community Manager.

At 7:51 P.M. (MST) the Open Forum was closed and the Board of Directors Meeting was opened.

First Motion: Jamie Limber

Second Motion Frank Danielson

Motion Carried

Additional Community Manager: Randy Kunzelmann, Board President opened the regular Board Meeting by informing the Board Members that because of all the maintenance and repair problems currently in the Artemina development that he had sent an e-mail to Lori Loch-Lee, Vice President with Rossmar and Graham requesting that she attend this month's Artemina HOA Board Meeting. At this point Lori Loch-Lee informed the Board Members that for the next few months or until all the maintenance and repair problems were resolved in Artemina that she and Maggie Pinckard-Story would share the Community Manager responsibilities for Artemina as Co-Community Managers.

Additional Handouts: Listed below are seven (7) additional documents handed out to the Board Member by Maggie Pinckard-Story and Lori Loch-Lee for review and discussion by the Board Members throughout the Board Meeting and the Executive Session:

1. Artemina, Proposed 2004 Budget (No Association Fee Increase)
2. Artemina, Proposed 2004 Budget (All Inclusive)

3. Artemina, Landscape Report as of 10/23/03
 4. Artemina, Violation Process
 5. Artemina, Neighborhood Violation Report for 10/23/03
 6. Artemina, Collection Process & Resolution
 7. Executive Session Agenda, Artemina HOA Board of Directors Meeting, October 23, 2003
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Minutes: The minutes of the last Board of Directors Meeting on September 24, 2003, prepared by Frank J. Danielson, Secretary, were reviewed and approved without change or modifications.

First Motion: Lance Tolsted Second Motion : Ron Jarvis Motion Carried

Financial Report: Maggie Pinckard-Story reviewed the Financial Report for the month of September, 2003 which was prepared by Rossmar & Graham. Listed below is a summary of the discussions and/or questions that were raised during Maggie's review:

- 1. Budget Variances:** Maggie presented to the Board a Variance Analysis Report where she discussed in detail the various favorable or unfavorable budget variances for the month of September that occurred in the financial categories: Income, Administrative Expenses, Utilities, Landscape Expenses Water Feature Expenses, Common Area Expenses, Surplus and Reserve Contribution. For specific details please refer to the Variance Analysis Report contained in the Agenda for the Artemina HOA Board of Directors Meeting, October 23, 2003.
- 2. Utility Expenses:** Following a lengthy discussion of the significant month-to-month variances in the Utility Expenses (Water/Sewer and Electric) and at the request of Lori Loch-Lee, Maggie Pinckard-Story agreed to perform a detailed month-to-month analysis of the monthly variances in the Utility Expenses and present her findings to the Board of Directors at the next Board Meeting.
- 3. Landscape Expenses:** Landscape Supplier for the month were over budget by \$1991.00 (monthly budget \$650.00) because \$2014.00 were paid to Berghoff Design Group for the replacement of three (3) Chinese Elm Trees along Cambridge in front of the North Park. It was pointed out by the Board of Directors that they were told by Craig Baltz, prior Community Manager for Rossmar & Graham that the cost of replacing these three (3) Chinese Elm Trees would be paid by the insurance company from the driver of the vehicle that uprooted the trees. Equally as upsetting to the Board was the fact that this bill was paid by Rossmar & Graham from the funds of the Artemina HOA without the knowledge or approval of the Board of Directors. Both Lori Loch-Lee and Maggie Pinckard-Story committed to pursue the insurance company to recover the \$2014.00 and report back to the Board of Directors at the next Board Meeting.

Further, it was discussed by the Board of Directors to limit Rossmar & Graham's authorization to pay any bills beyond the budgeted monthly maintenance expenses. No decision limiting Rossmar & Graham's bill paying authorization was reached by the Board of Directors at this time.

4. Operating Expenses: Maggie Pinckard-Story handed out to the Board of Directors a document entitled “Artemina-Financial Status as of 10/23/03”. This document stated that the Artemina HOA currently had \$1400.00 in its Operating Account with outstanding bills to be paid of \$4,240.56. Lori Loch-Lee proposed the following two Options:

Option 1 – WE RECOMMEND A BOARD DECISION TO TRANSFER FUNDS FROM THE RESERVE ACCOUNT TO THE OPERATING ACCOUNT TO ENSURE ALL BILLS BEING PAID IN A TIMELY FASHION.

Option 2 – WE RECOMMEND WITHHOLDING THE RESERVE CONTRIBUTION FOR THE MONTHS OF OCTOBER, NOVEMBER AND DECEMBER 2003 AND PLACE \$4,572.00 EXCESS RESERVE MONEY IN THE OPERATION ACCOUNT (This option would still provide the reserve funds to be at 102% funding as per the reserve Study at the end of 2003)

Following discussion among the Board of Directors and Lori Loch-Lee the Board of Directors unanimously approved Option 2 and director Lori to pursue that Option.

5. 2004 Operating Budget: Lori Loch-Lee presented the Board of Directors with three (3) new versions of the proposed 2004 Operating Budget and they are summarized below:

Version 1 – Retain Monthly HOA Fee of \$45.00 and keep the Property Management Fee at \$5.50 per door.

Version 2 – Raise the Monthly HOA Fee to \$ 50.00 and maintain the Property Management Fee to \$5.50 per door.

Version 3 – Reduce Property Management Fee to \$5.00 per door and include an all-inclusive management contract to include printing (includes copies – no statements , faxes and envelopes) and storage costs. The estimated and proposed amount of copies on the budgets for 2004 is \$2400 per year or \$200 per month, the faxes are charged at \$120 per year and storage costs are \$72 per year (all included on all-inclusive). Any non- normal business of the Association for printing costs will be charged to the Association as needed (i.e. revising the Design Guidelines of the community). **Version 3 was presented verbally by Lori Loch-Lee to the Board of Directors later in the Board Meeting.**

The Board of Directors agreed to consider these (3) new versions of the 2004 Operating Budget and communicate their decision to Management at the November Board of Directors meeting. Management would like to have a decision on the assessment fee prior to this meeting in order to ready the mailing of the statements for the community for January (this was discussed when the budgets were presented.)

6. Lori Loch-Lee has offered to reduce \$1000.00 off the Property Management Fee for the months of November and December, 2003 (rather than decrease \$500 per the September minutes).

Management Report: Maggie Pinckard-Story presented to the Board of Directors the current status of the following items:

- 1. Drinking Fountains:** The drinking fountains have been removed with Toolbox fabricating a high pressure fitting to correctly shut off the water system. The drinking fountains were installed without any electricity or proper water shutoff. A valve has been installed at each location. Toolbox has placed covers over the valves to prevent vandalism.
- 2. Lighting:** On October 8, 2003 Maggie Pinckard-Story sent a letter to Lithonia Lighting in Conyers, Georgia, the manufacturer of the Bollard Lighting Fixture No. KBA8 70S LV. Her letter requests warranty and installation information for the Bollard Lighting Fixture that would help in determining if the Bollard light fixtures were installed to the manufacturer's specification or that they were not intended by the manufacturer for Artemina's type of application.

Also, on October 6, 2003 Maggie sent a letter to Camelot Homes reminding them of the numerous problems Artemina has had with the Bollard Lighting Fixtures and requesting Camelot's assistance in resolving this light fixture problem. Further, Randy Kunzelmann committed to call Mark Hancock, President, Camelot Homes in an effort to set-up a meeting with Mark to ask for his assistance to replace the existing Bollard Lighting Fixture with a fixture more appropriate for a quality Camelot Development.

- 3. Street Repairs:** In the same letter to Camelot Homes dated October 6, 2003 Maggie requested from Camelot Homes the current status and a schedule of when the street repairs would be completed. Per the City of Gilbert the streets in Artemina cannot be turned over to the City of Gilbert until the developer completes all the needed repairs.
- 4. Water Tower:** The lights in the Water Tower at the entrance to Artemina on Cambridge have been repaired.
- 5. Artemina "Action Log":** As committed by Maggie Pinckard-Story at the September Board of the Directors Meeting, she prepared and began publishing her Artemina Action Log. This Log will be issued each Friday (or Monday, if Holiday or other) and it will summarize the current status of each item needing maintenance or repair in Artemina. This is a good report and is greatly appreciated by the Board of Directors, however, it must be maintained and issued weekly to have any value to the Board Members.

Old Business:

1. Architectural Review Committee:

- a. Approved Request:** There was no update information received from Maggie Pinckard-Story on the Warning Letter she committed to send to Monica Chipman, Lot #157, 1170 W. Silver Creek Road. This Warning Letter was to remind Monica Chipman that her Architectural Review Request for the installation of the Redwood Rainbow Play System was conditionally approved based upon her commitment to install mature trees to screen the view of the Play System from her neighbors and side street. To date these screening trees have not been installed.

b. Lot No. 230 Ramada: There was no update information received from the Architectural Review Committee as to any response received from Lot No. 230, 1035 W. Bosal Drive. The Architectural Review Committee had denied their Architectural Review Request covering a Ramada they had already build in their backyard.

c. Architectural Review Committee: There was no update information received from the Architectural Review Committee as to if a letter had been sent to Monica Chipman removing her from the Architectural Review Committee.

New Business:

1. Over Seeding Artemina Common Areas. Rossmar & Graham received a bid proposal from Berghoff Design Group dated October 9, 2003 for the over-seeding of winter rye grass in Artemina's common areas. The total bid price to scalp existing bermuda grass and install the rye seed came to a total of \$9,135.44. However, prior to submitting this bid proposal Berghoff Design Group went ahead without approval of the Artemina HOA Board of Directors or Rossmar & Graham and over-seeded the common areas in Artemina. Following a heated discussion by the Board of Directors, explicit direction was given to Rossmar & Graham's Community Managers; Lori Lock Lee and Maggie Pinckard Story not to pay Berghoff Design Group anything for this over-seeding of rye seed in the Artemina common areas. There in no money in the 2003 Artemina HOA Operating Budget for over-seeding and Bergoff Design Group did so without any approvals of Artemina HOA Board of Directors. A motion was made not to approve the payment of any \$9,135.44 to Berghoff Design Group or any amount for the over-seeding of rye grass in the Artemina Common Areas.

First Motion: Randy Kunzelmann Second Motion: Frank Danielson Motion Carried

2. Over Seeding Artemina Private Residence. The Board of Directors discussed the issue of over seeding of winter rye grass for private residence in Artemina. The discussion considered the fact that the City of Gilbert will not be over seeding this year to conserve water, over seeding requirements in Artemina's Conditions, Covenants and Restrictions (CC&R's) and the fact that Artemina has already over seeded in the Common Areas. A motion was made to maintain the requirement for the over seeding regarding private residence's.

First Motion: Randy Kunzelmann Second Motion: Lance Tolstedt Motion Carried

3. Watering Schedule. For several weeks it appears that the grass and shrubs in the common areas have been over watered by the Landscaper, Berghoff Design Group. Maggie Pinckard-Story has repeatedly requested the watering schedule from Berghoff Design Group and/or to reduce the amount/frequency of the watering to the City of Gilbert standards. In Berghoff's last communication with Maggie they said that they wanted the Board of Directors authorization to reduce the watering to the City of Gilbert standards. Maggie, please accept this entry in the Meeting Minutes as the Board of Directors authorization directly to Berghoff Design Group to reduce the watering for the grass and shrubs to the City of Gilbert standards for recommended amount/frequency for the common area.

- 4. Park Signs:** It was discussed and agreed by the Board of Directors to authorize Maggie Pinckard-Story to purchase three (3) “No Trespassing, Private Property, Residence Only” signs that are 12”X18” in size. Initially the Board of Directors authorized Maggie to have one (1) sign mounted in a conspicuous location on each of the Ramada’s and one (1) on a tether ball pole.
- 5. Winter Flowers:** On October 14, 2003 a bid in the amount of \$850.54 was received from the Berghoff Design Group to install thirty (30) flats of Winter Annuals in the planters located at the entrance to Artemina. After some discussion it was agreed that because Winter Annuals were not part of the 2003 Operating Budget we would not have them installed by Berghoff Design Group. Jamie Limber agreed to investigate the cost of Winter Annuals at a Lowes or Home Depot and then getting someone other than Berghoff Design Group to plant them. The Board of Directors authorized Jamie Limber to spend \$200.00 to \$300.00 if he wanted to pursue this Winter Annual task.
- 6. Landscape Compliance Project:** Lori Loch-Lee committed to complete the Landscape Compliance Project for the Artemina Development. The ultimate objective of this project is to bring all homes in Artemina in compliance with landscape requirements for each home in Artemina. According to Lori’s current records, there are thirty-two (32) homeowners in Artemina that have not paid the \$200.00 Landscape Review Fee and have not submitted or had approved a Landscape Plan. Lori has committed to completing this project. She will be contacting these thirty-two (32) home owners and working with them to collect the \$200.00 and to make sure that their landscaping is in compliance with the Conditions, Covenants and Restrictions established for Artemina.
- 7. November Board Meeting:** The November Artemina HOA Board of Directors Meeting is scheduled for Thursday, November 20, 2003 at 7:00 P.M. The meeting will be held at Perkins Restaurant NE corner of Arizona Avenue and Warner Road.

There being no further business brought forth to discuss, the meeting was adjourned at 10:23 P.M. (MST).

First Motion: Randy Kunzelmann Second Motion: Lance Tolstedt Motion Carried

The Board of Directors began an Executive Session at 10:30 P.M. (MST)

The discussion agenda for the Executive Session was a detailed review and discussion by Lori Loch-Lee of the current Delinquent Report, prepared by Rossmar & Graham that stated the current status of all collection activities.

There being no further business to discuss the Executive Session was adjourned at 10:55 P.M. (MST).

Respectfully Submitted,

Frank J. Danielson
Secretary