



The Ocotillo Community Association

C/o Premier Community Management, Inc.
PO Box 12510, Chandler, Arizona 85248
Office: (480) 704-2900 ? Fax: (480) 704-2905

OPEN SESSION MINUTES September 25, 2007

The Meeting was convened in the Conference Room at First Federal Credit Union building and called to order at 6:15PM by Vice President Wally Brown. Other Board attendees included: Treasurer Gina Phalen, Secretary Roger Stage and Director Donna DeVoe. Quorum was duly noted and recorded. Also in attendance from Premier Community Management, Inc. (PCM) were General Manager Lynne Kerley, Assistant Manager Dana Stevens and Compliance Manager Annie Colegrove. President Mike Palermo was unable to attend.

I. Pledge of Allegiance

II. Approval of Minutes

Donna motioned to approve both the August 28, 2007 and September 13, 2007 open session minutes as written. Gina seconded the motion. Motion passed.

III. Treasurer's Report

Gina presented the financial summary. Month to date (MTD) income was 1.1% under budget but year to date (YTD) income is 1.2% over budget. MTD expenses were 18% over budget but YTD is running 6.1% under budget. The short fall in income is largely due to homeowner assessment shortfall resulting from the broader homeowner mortgage issues. The transition from 25% to 100% on developer properties is also slowed down.

2008 Budget Discussion

The primary reason for the proposal to increase the FMD is to hire another employee to put the OCA in a better position to deal with the hot spots, aging infrastructure, the growing developed areas (e.g., Downtown Ocotillo), etc. The BoD stepped through a long list of questions that spanned specific line items in the budgets for the master association, the FMD, landscaping each of the special use areas (SUAs) and the reserve budget. Based on the review it was agreed that the next round of budget numbers should use 4.7% instead of 5.0% for the proposed increase to the master association assessment. Those SUAs where assessment increases are proposed will stay at 5.0%.

IV. Legends Paint Color Update

It was noted that the original set of paint colors on display on the wall the south side of Jojoba have been updated with two new colors as determined by Andrew Carson of Carson Poetzl Inc. (the contracted architect). Dana urged everyone on the BoD to review and provide feedback on the proposed colors by Thursday, September 27. Similarly, the

BoD was encouraged to review and provide feedback on the sample color schemes for the Water's Edge by Thursday as well.

V. Cottonwood Springs – Gate Committee Update

Nothing to report from the Gate Committee.

VI. Cottonwood Springs – Oleander Drive Petition Discussion

The BoD discussed the City's requirement for community input prior to moving forward to make changes to the "knuckle" on Oleander drive at the entrance to Cottonwood Springs. Because of the size of the community (200+ homes), it was agreed that the BoD should first mail the petition from the city to each homeowner. If an insufficient number are returned, then the BoD will consider organizing volunteers to go door to door to those homes that did not return a survey. It was noted that the community only has one chance with the petition, if it fails, the City will not make any changes to the knuckle.

VII. Manager's Report

Lynne reviewed the proposal from Valhalla Holdings for website support. Valhalla currently publishes the OCA newsletter. The cost would be \$75/month compared to the \$100-\$150/month currently being spent by hiring out maintenance of the OCA web site.

Besides saving money, moving the website to Valhalla would effectively give Premier control over the site including content updates, auto-emails, etc. Premier views this as a big positive as Valhalla promises to provide training and technical backup support.

Donna requested that alternate proposals be investigated. She will provide example sites to Premier in order to obtain alternate proposals.

VIII. Violation Report (Dana Stevens)

A total of 412 entries were reported for the month of August.

IX. Fee for Failure to Submit Plans for ODRB Review

This item was added to the previously published agenda after discussion of a legal opinion in the Executive Session.

Since the \$250 fee for failure to submit plans to ODRB for review prior to a homeowner making changes to the exterior of their house is to be regarded as a fine, the question is whether the failure to submit should be handled using the existing OCA fine policy.

It was noted that the \$250 charge is on top of the required submittal fee which varies depending on the specific change proposed. There was discussion and agreement amongst the BoD that the \$250 charge really is a fine and not just a fee for a service. The OCA's current fine policy entails a courtesy letter with 14 days to comply and a \$75 fine for failure to comply by the deadline. Lynne and Dana both noted that currently that Premier spends a great deal of time trying to explain the existing \$250 charge when it is

imposed. Logistically, following the existing fine policy would be easier for Premier to manage than would implementing a special policy for fines related to failure to submit ODRB plans.

Lynne also noted that the OCA retains 10% of ODRB fees for processing overhead and the rest goes to the ODRB. Fines, on the other hand, stay entirely within the OCA. It was agreed that per attorney recommendation, the ODRB fee for failure to submit should be changed to a fine.

Roger made a motion to change the ODRB fee schedule by removing the \$250 submittal fee for unapproved modifications and replace with the existing OCA fine policy. Gina seconded. Motion passed unanimously by the BoD members present.

X. Adjournment

Roger motioned for adjournment at 7:45PM. Donna seconded the motion. Motion passed.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Roger Stage", is written in black ink. The signature is positioned to the left of a vertical line that extends downwards from the end of the signature.

Roger Stage
Secretary, The Ocotillo Community Association