

ADDENDUM TO THE MEETING MINUTES OF THE BOARD OF DIRECTORS

A meeting of the Board of Directors of Warner Ranch 4 Association, an Arizona Corporation, was held at 51 Elliot #111 in Tempe, Arizona on September 8, 2003.

One of the purposes of the meeting was to discuss items concerning the 2004 Budget. After discussion and upon motion duly made and seconded, it was unanimously:

RESOLVED: To increase the annual assessment by the maximum as allowed in the CC&Rs to \$1,094.00 per lot.

RESOLVED: To approve the attached budget at a reduced annual fee of \$460.00 per lot for a total of 332 lots. The assessment is to be collected in semi-annual increments of \$230.00 each in accordance with the legal documents.

RESOLVED: To approve the attached narrative to accompany the Budget.

RESOLVED: To reaffirm the attached Assessment Collection Policy.

RESOLVED: To reaffirm the following Payment Plan Resolutions:

Payments made without benefit of a properly executed payment plan will not be construed as a payment plan and collection activity will be pursued in accordance with the Assessment Collection Policy.

Any payment plan which will bring the delinquent balance current within six months or less is automatically approved without review by the Board of Directors, provided the owners complete the Payment Plan Request and Agreement in its entirety and return it to the management company with the initial payment.

Until the Payment Plan Request and Agreement is completed in its entirety and returned to the management company with the initial payment, assessment collection will proceed according to the published Assessment Collection Policy.

If payment is not received as agreed upon in the Payment Plan Request and Agreement, action to collect delinquent assessments will resume immediately in accordance with the published Assessment Collection Policy without notice to the delinquent owners.

Late fees as provided in the Assessment Collection Policy will not be charged during the term of the payment plan if payments are received in accordance with the payment plan agreement.

Verbal commitments from homeowners will not result in a suspension of collection activities.

RESOLVED: To reaffirm all other existing accounting policies and procedures, which will remain in effect until changed by the Board of Directors at a later date.

RESOLVED: To designate Reserve Interest to Landscape Granite/common area reserves at year end.

RESOLVED: To designate \$15,000.00 of cash on hand to Landscape Granite/Common area reserves at year end.

**WARNER RANCH 4
ASSOCIATION**

BOARD OF DIRECTORS

MEETING SCHEDULE FOR 2004

The Board of Directors of the Warner Ranch 4 Association has scheduled its 2004 Board of Directors meetings to be held on the following dates. Please contact Lepin and Renehan Management, Inc. for meeting location and time.

**January 12
March 8
May Annual Meeting
July 12
September 13
November 8**

If you desire to attend the Board of Directors meeting, or be placed on the agenda, please call your property manager, Gina Larsen, at (480) 345-0046 at Lepin and Renehan Management, Inc., at least ten (10) days prior to the meeting.

WARNER RANCH 4 ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
SEPTEMBER 8, 2003

A meeting of the Warner Ranch 4 Association Board of Directors was held on Monday, September 8, 2003, at the office of Lepin and Renehan Management, Inc., 51 West Elliot Road, Suite 111, Tempe, Arizona, at 6:00 p.m.

In attendance: Dave McCotter, Mike Gehring, Bruce Read and Byron Harrod. Gina Larsen of Lepin and Renehan Management, Inc. was also present.

Absent: Ross Pearlman Guests: Homeowner of Lot #597 (Nouaillati)

The meeting was called to order at 6:00 p.m.

Mr. Nouaillati arrived at 6:15 p.m. He addressed the board concerning the possible installation of either boulders/trees/planter behind his home on the southeast corner of Ray and McKemy in light of the recent traffic accident that occurred at this location. The board informed Mr. Nouaillati that several different options are being researched at this time and he would be contacted in the future once the board has reviewed all options feasible. Mr. Nouaillati left the meeting at 6:33 p.m.

Upon motion duly made the following resolutions were unanimously passed:

Resolved: To approve the July 15, 2003, Board of Directors Meeting Minutes, as written.

Resolved: To accept the financial statements for July 31, 2003, subject to audit.

Resolved: To approve the Addendum To The Meeting Minutes Of The Board Of Directors regarding the approval of the 2004 Budget. (Attached)

Further

Resolved: To request the sentence, "This represents a \$5 increase semi-annually (bolded)" be added to the homeowner letter that will accompany the budget mailing.

Resolved: To approve the 2004 Board Meeting Schedule. (Attached)


Resolved: To send a letter to the homeowner of Lot #381 with a list of desired replacement trees (Oak/Elm) and request the homeowner decide which they would prefer.

Resolved: To send a letter to the homeowner of Lot #463 letting him know if he receives a violation letter in the future regarding a parked vehicle he should contact the community manager and let her know that it is not a vehicle belonging to a resident of their home and that the letter had been sent in error. The Arizona MVD is not available to Homeowners Associations by law, therefore the board does not utilize it as a resource nor would it be feasible to telephone homeowners when they are in violation of the CC&Rs. The board is required by the Association's governing documents to correspond with homeowners in writing and will continue to do so.

- Resolved: To send a letter to the owner of Lot #485 stating the CC&R's are very restrictive, prohibiting the parking of these vehicles on the street. Sending a letter to an owner who may plan to place the vehicle for loading and unloading (48 hours or less) may not achieve much as a practical matter because by the time the letter is received, the vehicle will be moved. However, because of the restrictive CC&R wording, unless the owner notifies the association, the letter must be sent. In response to the concerns about pollen from the olive trees, the City of Chandler prohibits the fruiting olives. The trees in the association's common area are the non-fruiting variety.
- Resolved: To send a letter to the owner of Lot #509 informing them that they are in violation of the CC&Rs and the Chandler Police Department can only speak to the enforcement of the City Codes and Ordinances and not Association document (CC&Rs) violations. Because of the Association documents, the vehicle cannot be parked in the street. It is also understood that the City has prohibited the parking of the vehicle in the driveway due to its length extending over the sidewalk. The owner will be requested to bring their lot into compliance with the CC&R's recorded on their property with Maricopa County without further delay.
- Resolved: To approve the revised Monetary Penalty Policy. (Attached)
- Resolved: To approve the revised Architectural Review Committee Guidelines. (Attached)
- Resolved: To approve the letter to the homeowners regarding wrought iron fencing (attached) and have management send to the homeowners on lots that have been identified with excessive wrought iron fence damage.
- Resolved: To contact The Tree Doctors and get the following information regarding transplanting the palm trees from the homeowner: Will they live? How much will it cost to transplant (remove and replace)?
- Resolved: To get estimate from Arizona Maintenance Professionals to build a planter approximately 4 feet on each side of wall at the southeast corner of Ray and McKemy with a proper retaining wall to protect the existing fence from water damage.
- Resolved: To get estimate from Arizona Maintenance Professionals to install cement posts in front of the wall at the southeast corner of Ray and McKemy.

The meeting was adjourned at 7:57 p.m. The next meeting is scheduled for November 10, 2003.

Respectfully submitted,


Gina Larsen
Acting Secretary


Dave McCotter
President

**WARNER RANCH PHASE 4 HOMEOWNERS ASSOCIATION
PROCEDURE FOR ENFORCING
MONETARY PENALTIES FOR RULES VIOLATIONS**

Effective: January 1, 2004

Monetary penalties for violations of the CC&R's, Bylaws and rules of the Association shall be imposed uniformly according to the procedure set forth as follows:

Written notice will be sent to the owner at the mailing address as it appears on the records of the association at the time of the notice. The FIRST NOTICE shall be a violation letter with no monetary penalty imposed and shall give the owner 14 days to comply. The notice shall include:

- 1) The nature and date the violation was observed.
- 2) A date for correction of the violation.
- 3) The fact that a monetary penalty may be imposed for failure to correct the violation or for repeat violations of the same rule as determined by the Board. The amount of the monetary penalty will be given.

If the violation is not corrected within the given date or if the same violation reoccurs within a ninety-day (90) period of the previously written notice, a SECOND NOTICE will be sent. The notice shall include:

- 1) The nature and date of the violation and the date of the first notice.
- 2) A date for correction of the violation.
- 3) The fact that a monetary penalty will be imposed, without further notice, for failure to correct the violation or for repeat violations of the same rule as determined by the Board. The amount of the monetary penalty will be given.
- 4) A statement advising the owner of the manner in which the owner will be provided with an opportunity to be heard with respect to the violation. And, if the owner does not respond, it will be deemed that the owner has waived his/her opportunity to be heard and to contest the violation and monetary penalty as set forth above.

The owner will be provided an opportunity to discuss the violation and the monetary penalty to be imposed in one of two ways:

- 1) Within fourteen (14) calendar days following the date of the second notice, the owner may appeal the monetary penalty in writing to the Board and request a hearing, and/or
- 2) Within fourteen (14) calendar days following the date of the second notice, the owner may appeal the monetary penalty in person at a Board meeting if one is scheduled within that period.

Whether or not the owner appeals, the Board can assess the problem and determine whether to levy the monetary penalty upon the expiration of that fourteen-day appeal period. The owner will be notified of the Board's decision and date of required compliance. If the lot is not in compliance by the last given date, the case may be referred to an attorney for corrective action through legal means in accordance with the CC&R's.

Warner Ranch Phase 4 Homeowners Association Monetary Penalty Summary:

- ◆ A monetary penalty will be assessed for a violation of the CC&R's, Bylaws and rules of the Association in accordance with the attached Monetary Penalty Schedule.
- ◆ If the same violation reoccurs within a 90-day period of the previous monetary penalty an additional monetary penalty will be assessed. Refer to the attached Monetary Penalty Schedule for monetary penalties for reoccurring violations.
- ◆ If the lot is not in compliance by the last given date subsequent to the assessment of the monetary penalty, the Board of Directors may have no choice but to pursue corrective action through legal means.