

**WARNER RANCH 4 ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
OPEN SESSION
September 12, 2006**

A meeting of the Warner Ranch 4 Association Board of Directors was held on September 12, 2006, at the office of Lepin and Renehan Management, Inc.

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

Absent: Linda Felde and Ross Pearlman

Homeowners present: Yousif Oudeif (Lot #571) and Steve Bowles (Lot #571).

The meeting was called to order at 6:02 p.m.

Homeowner Yousif Oudeif (Lot #571) came to the meeting to discuss with the Board of Directors the fact that he has received numerous letters and monetary penalties for vehicles being parked on the street that he does not own. The homeowner requested that the Board remove the monetary penalties for all letters received for vehicles that are not the homeowners. The Board stated that they would research the situation and send the homeowner written notification of its decision. Homeowner left the meeting at 6:15 p.m.

Homeowner Steve Bowles (Lot #507) came to the meeting to discuss the wall behind his home and the fact that it is in need of repair. He is not pleased that it has taken so long for this to be brought to light and he believes that the repair along the common area rests in the hands of the Association. Board stated that they will take the information under advisement and get back to the homeowner in writing. Homeowner left the meeting at 6:27 p.m.

After due discussion and upon motion duly made, the following resolutions were unanimously passed unless otherwise indicated:

Resolved: To approve the open session meeting minutes for July 11, 2006, as written.

Resolved: To accept the Financial Statements for months ending June 30 and July 31, 2006, subject to audit.

Resolved: To approve the 2007 Budget per the changes requested by the Board of Directors to the attached Addendum to the Meeting Minutes of the Board of Directors.

Resolved: To approve the Addendum to the Minutes of The Board of Directors regarding Small Claims Transfers.

Resolved: To approve the attached 2007 board meeting schedule.

Resolved: To approve the proposal provided by Certa Pro Painters for the repair and painting of the block wall fence behind Lot #507 at a total cost of \$374.50.

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- Resolved: To approve the proposal provided by Ground Specialties for the redressing of granite along Kyrene in Tract A (does not include interior perimeter) at a cost of \$25.00 per ton to spread the granite for a total cost of \$2,500.00.
- Notation: The granite will be supplied by Walker Butte at a cost of \$24.75 per ton for material and delivery.
- Resolved: To not use a collection agency at this time.
- Resolved: To send Lot #507 (Katz) a letter advising that the wall directly behind their residence, along the canal, will be repaired and painted by the Association.
- Resolved: To send Lot #323 (Yanez) a letter thanking them for communicating with the Association.
- Resolved: To send the homeowners of Lot #443 (Wallace) a letter informing them that they can keep the vines on the wrought iron fence behind their home with the understanding that they are 100% responsible for the maintenance of the wrought iron fence. Additionally, the removal of the fish netting must be disclosed to any potential homeowners during the sale of the home, the fish netting removed and the wrought iron fence repaired.
- Further
Resolved: To have the Association attorney draw up the appropriate documents for the agreement between the Association and homeowner of Lot 443 (Wallace) and have the documents recorded to the lot with the county to ensure that the removal of the fish net that is on the wrought iron at the rear of the property is enforced upon sale of this home.
- Resolved: To approve for management to perform the research of archived documents in order to build a resolutions book to include all "policy setting" resolutions.
- Further
Resolved: To agree to allow management to have until 1/1/07 to complete the resolutions book and for management to agree to charge a reduced hourly rate of 2/3 of \$50.00 per hour.

The meeting was adjourned at 7:48 p.m. The next meeting is scheduled for November 14, 2006.

Respectfully submitted,



Gina Larsen
Recording Secretary



Dave McCotter
President

**WARNER RANCH 4 HOMEOWNERS ASSOCIATION
PO BOX 11330
TEMPE AZ 85284-0023**

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 7955 S Priest Dr in Tempe, Arizona on September 12, 2006.

One of the purposes of the meeting was to discuss items concerning the 2007 Budget. After discussion and upon motion duly made and seconded, it was unanimously:

RESOLVED: To approve the attached budget at an annual fee of \$474.00 per lot for a total of 332 lots. The assessment is to be collected in semi-annual increments of \$237.00 each in accordance with the legal documents.

RESOLVED: To designate Reserve Interest to Granite reserves at year end.

RESOLVED: To designate \$14,130.00 of cash on hand as follows:

- \$5,000.00 – Granite Reserves
- \$1,100.00 – SRP Licensing Fee Reserve
- \$5,000.00 – Professional Service Reserve
- \$3,030.00 – Major Irrigation Repairs Reserve

RESOLVED: To designate \$11,000.00 of Contingency Reserves as follows:

- \$1,500.00 – Drywells
- \$1,500.00 - Emergency Renovations
- \$3,000.00 – Irrigation Reserves
- \$2,000.00 – Painting Reserves
- \$3,000.00 – Tree Reserves – earmarked for tree removal/replacement

RESOLVED: To approve the narrative to accompany the Budget.

RESOLVED: To reaffirm the Assessment Collection Policy.

RESOLVED: To approve the increased management fee per the budget proposal

RESOLVED: That collection matters wherein an owner files an answer in small claims court will automatically be referred to the association's attorney to be moved to Superior Court.

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

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One of the purposes of the meeting was to discuss items concerning the 2007 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&R's to \$1,455.00 per lot.

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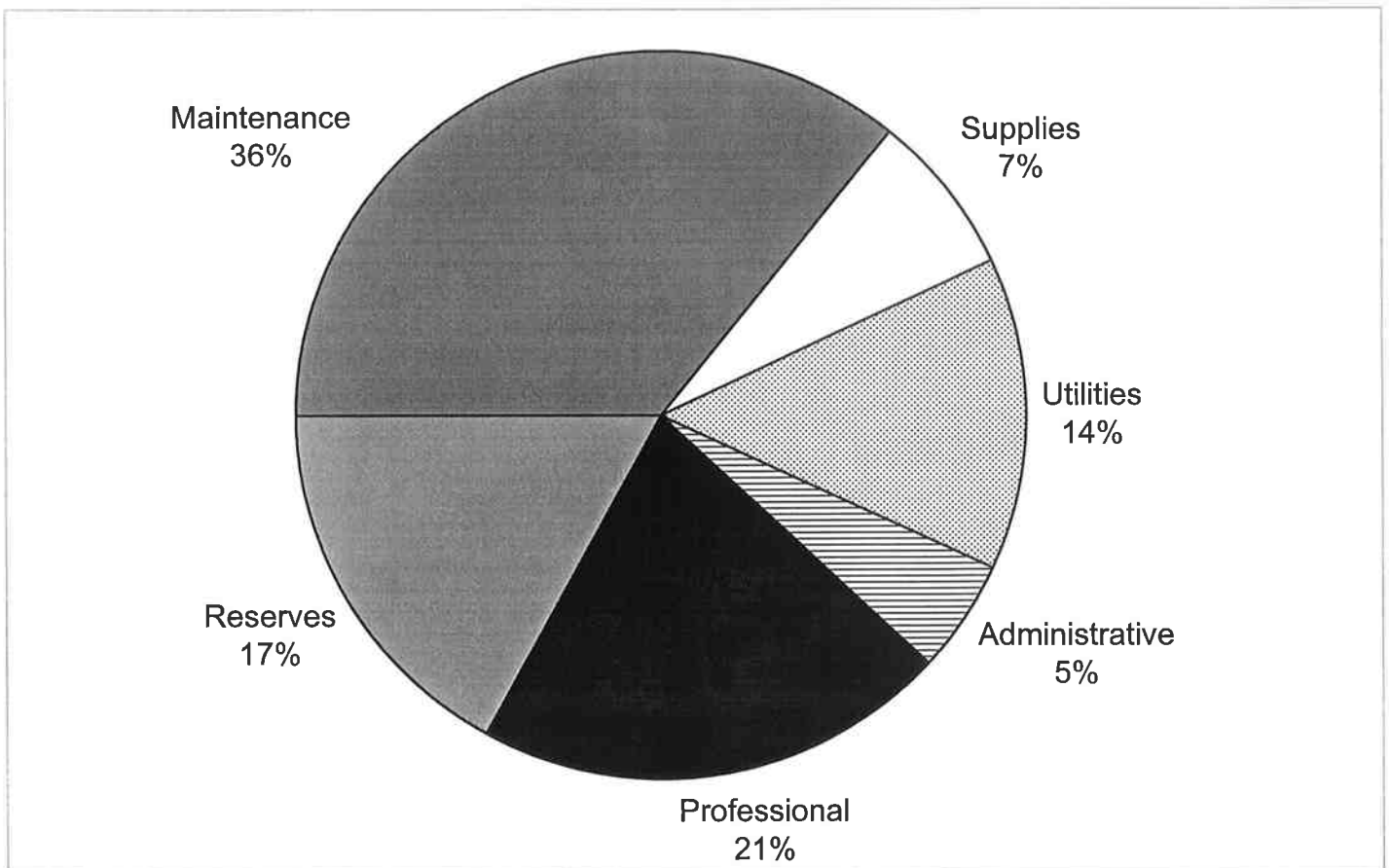
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WARNER RANCH 4 ASSOCIATION 2007 BUDGET

Total Project: 332 Lots

	Semi-Annual Budget per Lot	Annual Budget Per Lot	Total Annual Budget
Maintenance	\$85.19	\$170.39	\$56,569.00
Supplies	\$16.68	\$33.36	\$11,077.00
Utilities	\$33.13	\$66.27	\$22,000.00
Administrative	\$11.91	\$23.81	\$7,905.70
Services	\$49.90	\$99.80	\$33,133.00
Reserves	\$40.19	\$80.37	\$26,683.30
Total	\$237.00	\$474.00	\$157,368.00



WARNER RANCH 4 ASSOCIATION BUDGET NARRATIVE

MAINTENANCE

Exterminating: Common area treatment of gophers, aphids and bees as necessary.

Landscape: Weekly maintenance of all common areas including trimming, mowing, irrigation system check, trash pick up, etc.

Landscape – Other: Storm clean up and erosion repair.

Landscape – Tree: Palm tree trimming.

Maintenance & Repairs: Minor repairs and maintenance in common areas.

Sprinkler Repairs: Repairs and supplies for the irrigation system.

Vandalism: Repair of common area due to vandalism.

SUPPLIES

General: Signs, paint for touch ups, and annual meeting room rental.

Landscape – Other: Miscellaneous stakes, guards and minor granite touch-ups.

Landscape - Plant/Tree: Plant and tree replacement as needed.

Landscape – Rye Seed: Planting of winter rye seed in common area.

Landscape – Weed Control: Nut grass control in granite areas.

Office & Printing: Preparation of correspondence including welcome letters, budget packages, semi-annual newsletters and meeting notices.

Postage: Mailing of correspondence including welcome letters, budget packages, newsletters, meeting notices, etc.

UTILITIES

Electric: Power to irrigation time clocks and common area lighting.

Water: Irrigation for common areas.

ADMINISTRATIVE

Bank Charges: Monthly bank charge for administration of accounts.

Insurance: Property and liability coverage on common areas, Directors and Officers coverage and a Fidelity Bond.

Taxes: Annual Corporation Commission fee, property tax on common area tracts and tax on interest income.