

Colina Del Norte Homeowners Association Minutes of Regular Meeting of Board of Directors	May 29, 2007 Tatum Ranch Community Center 29811 North Tatum Boulevard Cave Creek, Arizona 85331
Directors Present:	Don Aldridge, President Barry Fletcher, Vice President Mike Frost, Secretary Lance Ulik
Director Absent:	Joe Kovac, Treasurer
Other Members of the Association Present:	3
Cuellar Representative Present:	Ande Johnson

Administrative Matters:

A regular meeting of the Board of Directors of Colina Del Norte Homeowners Association (the "Association") was duly constituted and held beginning at 6:30 p.m. on May 29, 2007, at the Tatum Ranch Community Center, 29811 North Tatum Boulevard, Cave Creek, Arizona 85331.

All directors except Joe Kovac were present at the meeting; and, therefore, a quorum was present for transaction of business at the meeting.

The Association's President, Don Aldridge, acted as Chairman of the meeting, and the Association's Secretary, Mike Frost, acted as its Secretary.

Approval of Minutes of Prior Board Meeting:

Upon motion duly made, seconded and unanimously carried, the minutes of the April 23, 2007 meeting of the Board of Directors were approved, after correcting those minutes to reflect the fact that Barry Fletcher was present at that meeting.

Treasurer's Report:

The Board reviewed the Association's financial statement for April 2007 and for the year then ended. The Association's Treasurer, Joe Kovac, who was unable to attend the meeting, had previously sent the financial statement to the Board members as an attachment to an e-mail message. In his e-mail message, Mr. Kovac recommended that (1) the Association invest \$125,000 in five certificates of deposit in the original principal amount of \$25,000 each, with one of such five certificates of deposit having a six-month maturity, and four of such five certificates of deposit having a nine-month maturity; and (2) the Association have its most recent reserve analysis rerun to show (a) the correct beginning cash balance \$316,942, (b) the income tax effect on reserve interest of 15%, and (c) the replacement cost of iron to be \$375,331.

After discussion, upon motion duly made, seconded and unanimously carried, it was:

RESOLVED, that the Association make a total investment of \$125,000—from its currently maturing certificates of deposit—in five certificates of deposit in the original principal amount of \$25,000 each, with one of such five certificates of deposit having a six-month maturity, and four of such five certificates of deposit having a nine-month maturity.

FURTHER RESOLVED, that the Association obtain such five certificates of deposit from a reputable bank, whichever such bank currently offers the highest interest rate on its certificates of deposit.

Ms. Johnson was requested to have the Association's most recent reserve analysis rerun in accordance with Mr. Kovac's recommendations set forth above.

Cuellar's Administrative and Maintenance Report:

Ms. Johnson presented to the meeting an administrative and maintenance report including the following:

- Communications to, from or with members and vendors since the last Board meeting.
- Action items for the Board's consideration.

A discussion was held regarding:

- The recent repair of the pedestrian gate at the community's main entrance.
- The procedure to get a member's name displayed at the gate.
- The procedure to get gate clickers.

Architectural Committee Report:

Mr. Aldridge reported on the recent activity of the Architectural Committee. He also stated that a letter had been mailed to all members last week, to ensure that they were familiar with all CC&Rs, guidelines and rules of the Association.

Park Committee Report:

Messrs. Frost and Ulik reported on the new City of Phoenix park to be constructed at 52nd Street and Rancho Paloma Drive. Included in such report were the following points:

- The park will not be constructed for a long time. [The new park on Rancho Paloma Drive, west of Cave Creek Road, took about six years from the time it was first proposed until the time it was completed.]
- There is, at present, no funding available for the park. If and when any such funding will be become available is a matter of conjecture.
- The Corps of Engineers will have to approve the construction plan for the park, because of three washes which cross the 20-acre tract set aside for the park.
- Lighting in the park will be a major matter of concern to the persons who live near the park.
- A relatively small part of the 20-acre tract lies south of Rancho Paloma Drive, immediately north of Colina Del Norte. About three lots in Colina Del Norte adjoin this land. Some City of Phoenix officials have said that they thought that this land would be a nice place to garage equipment used by the Park Department to maintain City parks in this part of the City. Messrs. Frost and Ulik told these City officials that this proposal would be unacceptable to the Association.
- A questionnaire is now being developed to determine the features that nearby homeowners would like to have included in the park.

Landscaping and Related Matters:

Mr. Aldridge asked Ms. Johnson to request the Association's landscaper to clear the weeds further south along 56th Street, to the wooden fence.

A discussion was held regarding the fire danger in the common areas of the community, and the Association's policy of maintaining a natural desert look in those areas. The consensus of the meeting was that major clearing of the common areas would not only contravene that policy, but would be very expensive and would require a substantial increase in the annual assessment of the members of the Association.

Phil Barker, a member of the Association, stated that weeds needed to be cleared around some of the fire hydrants, and that some of the blue reflectors in the streets (used to indicate the location of fire hydrants) needed to be replaced.

Roads Around Colina Del Norte:

Phil Barker reported that on May 14, 2007, he had a telephone conversation with Christopher DeParro of the City of Phoenix Development Services regarding roads around Colina Del Norte. The substance of that conversation was as follows:

- Pulte Home Corp. ("Pulte"), the beneficial owner of Section 16, has been cleared to restart construction in Section 16. Basically there will be no substantial changes to the plans for Section 16 despite the lengthy litigation involving Section 16.
- Pulte is having some issues with the 64th Street roadway from Lone Mountain Road to Dove Valley Road and the homeowners along 64th Street. There is some discussion between the City and Pulte about not developing the roadway, and as compensation for not building the roadway, to build the short northern section of Rancho Paloma Drive between 56th and 52nd Streets when Pulte builds its part of 56th Street from Lone Mountain Road to Rancho Paloma Drive. While the discussions for the trade-off are in the beginning stages, now is the time for public comment.
- The 56th Street roadway from Lone Mountain Road to Cave Creek Road is, for the most part, to be a 4-lane roadway (2 lanes in each direction) with a 14-foot median when completed. Starting at the intersection of 56th Street and Lone Mountain Road and going north, the west side of the 56th Street roadway along the horse ranch at the northwest corner of that intersection will be completed if and when the owner sells the property to someone who then files for rezoning. Until then, the western 2-lane portion of the 4-lane roadway will not be developed. Development could possibly occur to some extent if the City develops it; a slim possibility but a possibility nonetheless. This will result in a 2-lane roadway from Lone Mountain Road joining a 4-lane roadway north of the horse ranch along the Chapparal and Colina Del Norte subdivisions. There will be traffic issues to be addressed with this narrowing. There might be a chance for a turn-lane added at Lone Mountain Road, but that is up in the air at this time.
- If Pulte does not reach an agreement with the City to build the northern portion of Rancho Paloma Drive between 56th and 52nd Streets, then it may be a while before the City will take on that task. This will result in another narrowing from 56th to 52nd Streets where the current roads exist. This will further delay the finishing of the entry to the Dusty Wren cluster of Colina Del Norte homes. If the agreement is reached and the buildout occurs, the Association can then finish off the Dusty Wren entry and have no traffic issues with a second narrowing. Part of the agreement between Pulte and the City is that 60th Street cannot be closed until 56th Street is built. (Pulte may do both roadways at the same time and not have to fight cut-through traffic during general construction; however, Pulte will need to do some roadway development just to get customers into the site and to the lots.)

- When the Trammell Crow condominiums are built, the portion of Rancho Paloma Drive north of the condominiums will continue to be a 2-lane roadway. When the strip of land north of the condominiums is developed, the developer of that strip will need to build a 14-foot median and a 2-lane roadway north of the present 2-lane roadway, and Rancho Paloma Drive will then become a 4-lane roadway with a 14-foot median. This is normal and not an issue relative to Pulte except that if the development occurs at the same time, the traffic will be a mess and there will probably be more Colina Del Norte cut-through traffic and more broken gate problems for the Association.

Although this matter was not part of the conversation between Messrs. Barker and DeParro, the intersection near the back exit of Colina Del Norte will probably remain a 2-way stop sign intersection. While this may not be a major problem now, once there is more traffic on Rancho Paloma Drive from people trying to avoid the traffic at Cave Creek Road and Carefree Highway, the traffic at Cave Creek Road and Lone Mountain Road, and the increased traffic at Cave Creek Road and Tatum Boulevard (when the Sonoran Parkway is built), the traffic near the back exit will likely become a major problem. The Association needs to look into this issue sometime in the near future.

During the conversation between Messrs. Barker and DeParro, it was suggested that the Board send an e-mail message to appropriate representatives of the City of Phoenix setting forth the Association's position on the items mentioned above. Mr. Barker suggested that this message be generated promptly in order to get the Association's position heard by the City.

Mr. Barker questioned Mr. DeParro about getting an acceleration lane at the main exit of Colina Del Norte heading south. This would allow drivers to cross the northbound traffic, sit until southbound traffic clears, and have the opportunity to accelerate before pulling into southbound traffic. This may be something to ask the City in another e-mail message, not to confuse up the Rancho Paloma issues with an unrelated issue. While Mr. DeParro indicated the acceleration lane may not be built, it might be something to consider thinking and talking about.

Trammell Crow Condominium Project:

Mr. Aldridge stated that a representative of Trammell Crow had recently informed him that its condominium project was on hold.

Adjournment:

Thereupon, upon motion duly made, seconded and unanimously carried, the meeting was adjourned at 8:05 p.m.