

**SCOTTSDALE RANCH COMMUNITY ASSOCIATION
BOARD OF DIRECTORS' MEETING**

February 28, 2017

Held at the Scottsdale Ranch Community Association Conference Room
10585 N. 100th Street, Scottsdale, AZ 85258

Members

Present:	Matt Metz	President
	Michael Breslin	Vice President
	Mike Nelson	Treasurer
	Barbara Sarwar	Secretary
	Brian Munson	Director
	Ray Texeira	Director
	Aarash Daroodi	Director

Members

Absent: None

Staff Present:	Kathe Barnes	Executive Director
	Sonja Perez	Homeowner Liaison
	Gabby Weiss	Architectural Liaison

Others Present:	Lynn Krupnik	Attorney
	Suzette Janoff	9776 E. Turquoise Ave.
	Chad Ahendt	9776 E. Turquoise Ave.
	Rick Schreiber	Architect
	John Buric	Attorney
	Elena Sibley & Ed Ropee	9765 E. Ironwood Dr.
	Bill & Betty Ross	9766 E. Turquoise Ave.
	Parish Wood	10553 E. Carol Ave.
	Danielle Johnson	9715 E. Ironwood Dr.
	Jacque Texeria	10915 E. Palomino Rd.
	Debbie O'Brien	9786 E. Turquoise Ave.

Call to Order: Matt Metz called the regular meeting to order at 4:30 p.m. and called the roll of the Directors. A quorum of Directors was present.

**Homeowner's
Forum:**

None

**Approval of
Minutes:**

MOTION: It was moved and seconded to approve the open session minutes from the January 24, 2017 board meeting as presented. Motion passed.

President's Report: None

Action Items: Architectural Appeal of Addition to 9776 E. Turquoise Ave.
Background information was provided to the Board regarding the history of the proposed house addition. Appellants and applicant provided information to the board.

Appr'd  Date 3/28/17

Scottsdale Ranch Community Association
Board of Directors' Meeting
February 28, 2017

Matt Metz, recessed the open session meeting at 5:36 pm and opened an executive session meeting of the Board to discuss matters with legal counsel.

Executive session was adjourned at 5:52 pm.

The open session meeting was reconvened at 5:54 pm.

MOTION: It was moved and seconded to uphold the Architectural Committee's decision to approve the addition at 9776 E. Turquoise Ave. Motion passed.

The follow participants left the meeting at 6:00 pm.

Lynn Krupnik	Suzette Janoff
Chad Ahiendt	Rick Schreiber
John Buric	Elena Sibley & Ed Ropee
Bill & Betty Ross	Danielle Johnson
Debbie O'Brien	

Revised Lighting Draft

MOTION: It was moved and seconded to approve the revised language to the Architectural Guidelines relating to the Edison Lights. See Exhibit "A". Motion passed.

Committees:

Community Leadership Group Member Appointment

MOTION: It was moved and seconded to approve the nomination of Rickie Currens as a member to the Community Leadership Group. Motion passed.

Finance:

2016 Audit Results

MOTION: It was moved and seconded to accept the 2016 Audit results with an unqualified opinion as presented by Butler Hansen PC. Motion passed.

Working Capital Fee

The board concurred with the Finance Committee's recommendation to not remove the Working Capital fee at this time unless mandated by law.

January 2017 Financials

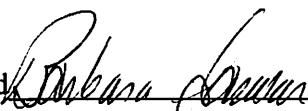
MOTION: It was moved and seconded to accept the January 2017 financials as presented and file for audit. Motion passed.

**Management
Operations:**

Compliance Procedure Review

MOTION: It was moved and seconded to approve the revised compliance procedure as presented. See Exhibit "B". Motion passed.

Appr'd



Date

3/28/17

Scottsdale Ranch Community Association
Board of Directors' Meeting
February 28, 2017

CC&R Amendment

Staff provided the proposed amendment language to Article IV, Section 2A, v3 to further clarify what criteria architectural projects will be reviewed by. No action taken at this time.

Scottsdale Ranch Playground Equipment

MOTION: It was moved and seconded to rescind the SRCA \$50,000.00 donation to the City for playground enhancements. Motion passed.

Board Meeting Dates

Staff presented future Board meeting dates for November and December 2017. The Board confirmed November 28, 2017 and concurred to omit the December 2017 meeting.

**Committee
Reports:**

Community Leadership Group - Barbara Sarwar reported on the success of the recently held Water Conservation Lunch & Learn and discussed the planned happy hour on April 4, 2017.

Lake Committee - Brian Munson reported on the huge success of the Fishing Derby and the Lake Fest event. Plans are underway for the production of additional fish condos.

Finance Committee- The committee is currently reviewing the purchase of Cyber Security insurance coverage and will have a recommendation to the Board at their March meeting.

New Business: None

Adjournment: **MOTION:** It was moved and seconded to adjourn the meeting at 6:45 pm. Motion passed.

Appr'd

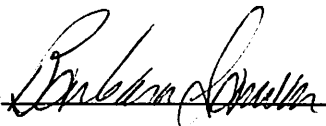
 Date 3/28/17

Exhibit A

Edison Bulb String Lighting

1. Edison bulb string lighting may be allowed on a permanent basis in the rear and side yards and will be reviewed on a case-by-case basis. All installations must be submitted for review by the Architectural Committee prior to installation.
2. This type of lighting is not to be used for safety reasons; therefore, it is not to be left on overnight.
3. A minimal number of strands will be permitted as this lighting is intended for the creation of ambiance in a particular localized, small activity area (outdoor seating area, gazebo or patio).
4. Lighting must be focused downward to prevent excessive light trespass and must not adversely affect neighboring properties in any way.
5. Permitted wire colors are black and dark bronze. Elongated, clear Edison bulbs with visible filaments are the only permitted bulbs. No cages, round bulbs, frosted bulbs, colored bulbs, fluorescent bulbs are permitted. Color temperature may not exceed 2700k. All proposed bulbs will be reviewed on a case-by-case basis.
6. The max wattage per bulb is 15 incandescent watts or 225 lumens. The maximum number of bulbs permitted in a yard is 100.
7. Lights shall be mounted at a maximum height of nine (9) ft. above ground. Lights that are shielded by a structure such as a ramada or pergola shall be no closer than ten (10) ft. from party walls. Lighting that spans open areas and is not shielded by a structure must be set back fifteen (15) ft. from any party walls.
8. There shall be no electrical outlets, conduit or the like that is visible.
9. Permitted support structures are roof structures, trees and poles. All support structures and routing must be approved by the Architectural Committee prior to installation. Lighting must be affixed to a tree, pole or structure from a single point. Lighting is not permitted to be wrapped around a support structure or wire. Poles used for Edison lighting must be professionally and permanently installed and may not be supported by wires. All poles used for lighting installation are subject to approval by the Architectural Committee.
10. Routing shall not be tight to the roofline of a structure but is intended to span small open seating areas. The maximum square footage of lighted area permitted is 300 square feet. Routing must be clearly shown in a site plan. Lights are to be used to span square or rectangular areas, not long, continuous runs and must span from side to side.
11. Lakefront routing may be allowed on a case-by-case basis. All lakefront routing must not negatively impact the serenity of the lake.
12. Zero lot line homes may not be conducive to this type of lighting and will be reviewed very strictly to ensure there is no negative impact to neighboring properties.

COMPLIANCE POLICY

A violation can come to the Association's attention by a staff member who notes the violation during a drive through of the Ranch or a complaint received by a neighbor. If a complaint is received by a neighbor, a member of the Association staff will perform a follow-up check to confirm the existence of the condition reported by the neighbor and to confirm that the condition is a violation of the Governing Documents. The Association has no duty to take any action based on anonymous complaints. Owners should be aware that the Association may be required to provide information about complaints made and the person who made them to other Owners, to the extent required by law. If the Association staff has a question of interpretation as to whether the condition is a violation of the Governing Documents, the Executive Director can forward the matter to the Board and/or the Association's legal counsel for guidance and determination.

While the Board intends to follow the procedure below, the Board reserves the right, in its sole and absolute discretion, to vary from this procedure due to the unique circumstances of every situation.

Content of Written Notices:

Any written notice to an Owner regarding a violation will contain the following information: (a) the nature, description, and location of the violation, (b) a request to remedy the violation and/or a request to submit plans and specifications for the improvement to the Architectural Committee, and (c) the deadline for remedying the violation.

First Notice:

For a first-time offense, a courtesy reminder will be given by a phone call and/or the Association's preferred method of correspondence, as determined by the Association staff. The Owner is asked to comply within the time frame specified or communicate to the Association staff any problems with or inability to comply. If the Owner is a repeat offender or if the violation is a repeat offense, the Association staff may make the determination to skip the First Notice and proceed to one of the other steps listed below.

Follow Up Notice:

If the violation remains unresolved after the deadline for compliance, or the same or similar violation (as determined by Association staff) re-occurs again within a twelve-month period, a Follow Up Notice will be sent. The Owner is asked to comply within the time frame specified and notified that enforcement action can be taken per the Declaration and Arizona law if they do not comply.

Final Violation Notice:

If the violation remains unresolved after the deadline for compliance, or the same or similar violation (as determined by Association staff) re-occurs again within a twelve-month period, a Final Violation Notice is sent. The Owner is asked to comply within the time frame specified and notified that enforcement action can be taken per the Declaration and Arizona law. Pursuant to Arizona law, the Owner will be notified of their

Exhibit B

right to be heard before a fine is imposed and the process the owner must follow to contest the notice. Thus, the Final Violation Notice will give the Owner a deadline for contacting the Association staff to exercise the Owner's right to be heard and will also inform the Owner that, in order to contest the violation, within twenty-one (21) days from the date of the Final Violation Notice, the Owner must send the Association a written response, by certified mail, to the address contained in the Final Violation Notice.

If the Owner contests the violation in the First Violation Notice, the Association has ten business days from the date it receives the certified mail to provide the owner with a "written explanation regarding the notice" containing at least the following information, to the extent not provided in a prior notice to the Owner (a) the provision of the document that has been violated; (b) the date of the violation or the date the violation was observed; and (c) the first and last name of the person or persons who observed the violation.

Hearing and Fines:

If the Owner requests a hearing as provided in the Final Violation Notice, the Association staff will schedule a hearing in front of the Board or a committee appointed by the Board. To the extent reasonably possible, the hearing will be held at the next scheduled Board of Director's meeting. The hearing will be held in the open session portion of the meeting unless the Owner requests the hearing be held in executive session or the Association staff determines that the hearing should be held in executive session.

At the hearing, the hearing body shall permit the Owner to submit all relevant arguments, evidence, statements, and/or witnesses regarding the alleged violation. The hearing body may also request that the Association staff present information or evidence regarding the alleged violation. The hearing need not be conducted in conformity with judicial rules of procedure or evidence. The Association's and Owner's attorneys may be present and participate in the hearing. If either party's attorney will be present at the hearing, the other party shall be notified as soon as the determination is made.

After the hearing is held, if one is requested, or after the time has passed for the Owner to request a hearing, the Board will make a determination as to whether a fine will be imposed. Furthermore, once an initial fine is imposed, additional fines may be imposed if the same violation continues. Although it is the ultimate goal of the Association to find a resolution to the violation and not to fine an Owner, any fines imposed will be collected pursuant to any means available by law.

Notice of Fine:

After the time has passed for the Owner to contest the violation, or after the Association has provided the Owner with the information required, (and the Owner has been given the opportunity to be heard), if the Association has determined that a fine will be imposed for the violation, the Association will send the Owner a Notice of Fine sent by certified, return-receipt and regular mail. The Notice of Fine will inform the Owner of the

Exhibit B

amount of the fine and that additional fines will be assessed thereafter until the violation is remedied. Fines will generally be imposed pursuant to the attached Fine Schedule. However, the Board may vary from the Fine Schedule depending on the unique circumstances of every situation. The Notice of Fine will also inform the Owner of the remedy or remedies the Association is considering or intends to take to obtain compliance.

Subsequent Violation Notices

If the violation remains unresolved after the deadline for compliance provided in any Violation Notice, or if the same or similar violation (as determined by Association staff) re-occurs again within a twelve-month period, the Association may impose additional fines, pursuant to the Fine Schedule.

Association's Options for Compliance:

The Association may employ any or all of the following remedies to obtain compliance:

- Legal action – Legal action may be in the form of (a) a personal judgment for the collection of fines, other costs incurred by the Association in enforcement, or self-help costs, (b) an action for injunctive relief against the Owner to correct or otherwise abate the violation, and/or (c) any other legal or equitable remedy that may be available to the Association. The Association's costs in any legal action may be assessed to the Owner's assessment account.
- Self-help intervention – The Association may enter the Owner's lot and remove, remedy, and/or abate the violation. The Association's costs may be charged to the Owner's assessment account.
- Suspension – an Owner's voting rights and right to use the recreational facilities and other Common Areas may be suspended for an initial period not to exceed sixty (60) days and for successive sixty (60) day periods if the violation is not corrected during any prior sixty (60) day suspension period.
- Local City, County and State enforcement coordination

Referral to Legal Counsel

At any time in this process, the Board of Directors may turn a violation matter over to the Association's legal counsel for enforcement advice and/or action. The Owner will be responsible for paying the Association's attorney's fees incurred in enforcement, regardless of whether suit is filed.

Waiver or Variation from Enforcement Policy

The Board of Directors and Executive Director shall retain the right and authority to vary from this Policy, in its sole judgment, due to the unique circumstances of every situation, including, but not limited to, the nature of the violation, severity of the violation, and the Owner's history of violations. In the case of an emergency, the variance from this Policy may also be approved by the President or another officer authorized by the Board of Directors.

Discretion Regarding Enforcement Action

Exhibit B

At any time in this process, the Board of Directors may make a decision to take or not take enforcement action. Each such decision shall be in the discretion of the Board, in the exercise of its business judgment. Without limiting the generality of the Board's discretion, if the Board reasonably determines that a provision of the Governing Documents is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement action, the Board shall not be obligated to take such action. Any such determination shall not be construed a waiver of the right of the Association to enforce such provision at a later time or under other circumstances, or prevent the Association from enforcing any other provision of the Governing Documents.

FINE SCHEDULE

The Board generally intends to levy fines according to the schedule of fines below. However, the Board reserves the right to levy a fine in a different amount, including daily, weekly, or monthly fines for recurring offenses, as determined in its discretion based on the nature of the offense, the number of violations, and any other relevant factors as determined by the Board.

Furthermore, with respect to subsequent violations beyond those listed in the schedule of fines, the Board shall determine the amount of the fine in its discretion by considering the same factors noted above. The amount of any fine established by the Board shall range from \$25.00 to a maximum of \$1,000.00 for a one-time fine, or daily, weekly or monthly penalties for recurring violations of up to \$500 per day.

The Board also reserves the right to suspend the fines for certain ongoing violations to give the Owner(s) a reasonable time period, as determined in the sole discretion of the Board, to address them. However, if the Owner(s) fails to do so within the prescribed time period, then the Board may impose all the fines that accrued retroactively from the date of the original Notice imposing a fine. The Board reserves the right to exercise any means allowable by Arizona law to collect any fines imposed.

Violation Notice Number	Standard Violation
1	\$25.00
2	\$50.00
3	\$100.00
4 or more	An additional \$100 for every 14 days the violation persists, or as otherwise determined by Board, up to \$1,000.00 per occurrence or \$500 per day

Exhibit B

Violation Notice Number	Failure to Cease and Desist (No Courtesy Notice required)
1	\$100.00
2	\$250.00
3 or more	An additional \$100 for every 14 days the violation persists, or as otherwise determined by Board, up to \$1,000.00 per occurrence or \$500 per day

Additional Specific Offense Violations	
Unapproved Improvements	\$250.00 per occurrence (No Courtesy Notice required)
Noncompliant Vehicle/Trailer Parking	\$100 per occurrence for first day of violation, plus \$10 per day thereafter until compliance (No Courtesy Notice required)

In the event that the Owner fails to pay a fine within fifteen (15) days of the requested due date, the Association may deem the penalty delinquent and impose a charge for the late payment of the penalty. The late charge may not exceed the greater of fifteen dollars (\$15.00) or ten percent (10%) of the amount of the unpaid penalty. In addition, if the Owner refuses to pay the penalty, the Board reserves the right to pursue collection of all outstanding amounts via all legal means available to the Association. In the event that the Association is awarded a judgment against the Owner, the Owner will also be responsible for all costs and reasonable attorney's fees incurred by the Association.

VARIANCES

(CC&Rs Article IV, Section 5, Page 26)

The Board may, at its option and in extenuating circumstances, grant variances from the restrictions set forth in Article IV of the CC&Rs or in any Tract Declaration. If the Board determines, in its discretion, either that a restriction would create an unreasonable hardship or burden on an Owner or Lessee, or that a change of circumstances since the recordation of the Declaration has rendered such restriction obsolete and that the activity permitted under the variance will not have any substantial adverse effect on the other people on Scottsdale Ranch and is consistent with the high quality of life intended for residents of Scottsdale Ranch a variance may be granted.

Any request for a variance must be in writing.