

**BELLASERA HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
Bellasera Community Clubhouse
October 18, 2005
6:30 p.m.**

Members Present: Carol Sotnick, President
Thomas Crawford Love, Jr., Vice President
Bruce Martin, Secretary
Paul Broad, Treasurer
Michael Simpson, Director

Others Present: Patti Smith, Community Manager, AAM
Sheila Nazareth, Recording Secretary, AAM

Call to Order: Carol Sotnick called the meeting to order at 6:32 p.m.

The Minutes for 8/22/05 were approved with the only change per Paul Broad that under the Treasurer's Report the wording be changed to 2004 Tax Report rather than Compilation Report. Carol Sotnick moved to approve the minutes with the change. Motion passed unanimously.

The Minutes for 9/19/05 were approved as written. Carol Sotnick moved to approve these Minutes. Motion passed unanimously.

The Minutes for 9/28 were approved as written. Carol Sotnick moved to approve these Minutes. Motion passed unanimously.

President Report: Carol Sotnick addressed two ongoing community concerns. The first was on the tennis lights and the timers. She mentioned an email from a Bellasera resident. Patti Smith responded with an update that the handyman would be installing new timers. The second concern was the clubhouse dumpster issue. Historically, Community Managers would inform residents that it was permissible to dump trash in clubhouse dumpster. Sotnick requested that Building and Grounds Committee address this issue with a resolution for the next BOD meeting.

Treasurer Report: Paul Broad indicated the Budget was under spent by \$30,000 in the first three months of the fiscal year. He is working on scheduling a meeting with AAM controller, Michael Johnson for November 7th for the Financial Reports. Paul Broad moved for the 2004-2005 annual review audit to be conducted by Mark Reece, per Michael Johnson's recommendation, not to exceed the amount of \$16,000. Motion passed unanimously.

Paul Broad also spoke about the \$100,000+ that is in the checking account, and suggested the account be reduced to \$60,000. This issue was tabled for more information.

Management Report: Patti Smith reviewed and updated the Board on her progress with courtesy calls and non-emergency issues to home owners. She has been working extensively with Four Peaks Landscaping on the trails and erosion repair. She has recommended a structural engineer, Don Woolridge, to conduct a consultation on the Ponte Bella Bridge. Smith updated the Board on the administrative support and progress on over time duties.

Committee Reports: Sheila Lavin, Chairperson of the Activities Committee, reported upcoming social

activities within the community. Carol Sotnick asked Sheila Lavin to come back next month with a proposal for clubhouse upgrades. Sheila Lavin also asked about the new management's role in providing support to the Committees with the extra hours designated to the Administrative Assistant. Carol Sotnick responded that the new management company was hired part-time to increase autonomy within the Committee's roles and administrative functions.

Carlton Rooks, Chairperson of the Budget and Finance Committee, had no new items to report

Paul Anetsberger, Chairperson of the Building and Grounds Committee, reviewed his work with the handyman, Dave Zirhut, on the lights and the second phase of the stucco walls. Paul Broad asked for a sign to be posted at the tennis courts indicating the timer will shut off at 10:15pm.. The Community Manager will work on this.

Keith Christian, Chairperson of the Communications Committee, had no new items to report.

Carol Sotnick, former Chairperson of the Governance Committee, has recently resigned from her position as Chairperson and informed the attendees that Susan Loisele is elected as the new Chairperson for this Committee.

Crawford Love, Chairperson of the Modifications Committee, gave the Board an update of the Pederson development. The landscaping/berm/screen solution was addressed, which Pederson has agreed to fund. Love said Bellasera will need to consider a construction easement. Love anticipates that the DRB will be in November 2005.

Phil Castrovinci had resigned from the Modifications Committee, which leaves currently two open seats for the Committee. A homeowner, Hope Kirsch, asked Love about the status of her Modifications Application for her ramada. Crawford Love said her request had been denied. A brief discussion ensued between Love and Kirsch.

Old Business:

Mike Simpson gave an update on the status of the recognition event status for Bellasera volunteers. Simpson is currently coordinating with Sheila Lavin on the food cost and dates. A possible date in January 2006 is likely for the event.

Bruce Martin moved to approve the Board calendar with changes for the month of October to read "begin reserve review" and in the month of January to remove "Preliminary budget and reserve plan discussion". Motion passed unanimously.

Mike Simpson discussed the initial meeting conducted with hydrolic engineer, Hal Maron on the Ponte Bella bridge inspection. Maron advised that a structural engineer would be more beneficial in addressing the bridge. The primary areas of focus are on are the structure that supports the bridge and at 78th Place, where it is sinking.

Carol Sotnick moved for improved Committee and Management reporting to the Board A resolution was presented which passed unanimously [see Appendix A].

New Business:

Carol Sotnick moved to appoint Karen Husted to the Modifications Committee. Motion passed unanimously.

Carol Sotnick moved to appoint Judith Zeiger to the Communications Committee. Bruce Martin recused himself. Motion passed 4 in favor.

Carol Sotnick called for a 5 minute recess. The Board meeting reconvened at 7:50 p.m.

Carol Sotnick reviewed the revised By-Law changes as recommended by the Governance Committee and moved for the changes to be made to the documents [see Appendix B]. Motion passed unanimously. Discussions on further changes in section 4.3 pertaining to chair term limits were noted and action was deferred.

Crawford Love suggested a special meeting to discuss the Pederson development in the near future. No decision was made at this time.

There being no further business to come before the meeting, the meeting adjourned at 8:35 p.m.

The next board meeting is scheduled for Monday, November 28, 2005 at 6:30 p.m.

Respectfully submitted,

Sheila Nazareth
Recording Secretary

Approved by:

Bruce Martin, Board Secretary

Resolution to Improve Committee and Management Company Reporting at Board Meetings

October 18, 2005

Whereas, The Board receives written committee and management company reports stating what has been accomplished in its Board packets.

Whereas, The Board desires to shorten the length of Board meetings.

Be it resolved, That the Board will hold its regular meetings on the fourth Monday of the month whenever feasible so that committees will have time to conduct their regular meetings prior to the Board meeting. Further, all committees and the community manager will submit their minutes by **e mail five business days prior to the Board meeting** to the Community Association office. The minutes should contain a summary of what has been accomplished. Copies of these minutes will be available to homeowners at Board meeting. This portion of the reports will **not** be read by the committee chairs and the community manager at the Board meeting, but Board members will have an opportunity to ask questions on these written reports.

Be it resolved, The committee chairs and association management will submit any proposed resolutions including costs, questions for the Board to consider, vendor requests or proposed new plans in a separate document from their minutes in an **e mail five business days prior to the Board meeting** to the Community Association office. This portion of reporting will be presented verbally at the Board meetings. Requests for resolutions that are not documented in this manner will not be voted on until presented in writing.

**Resolution to Approve Changes to the By-Laws
October 18, 2005**

Whereas, The Ad Hoc Governance Committee has made a number of recommendations to revise the By-Laws of the Bellasera Community to improve governance

Be It Resolved, The Board has approved the following changes to the By-Laws:

2.1. Membership. The members of the Association shall be homeowners of Bellasera as set forth in the CC&R's. The provisions pertaining to membership in the CC&R's are incorporated herein by this reference.

3.2. Number of Directors. The number of directors in the Association shall be not less than five nor more than seven.

3.4. Nomination of Directors., Nominations for election to the Board shall be made in accordance with policies and procedures established, from time to time, by the Board. Such policies and procedures may include, but are not limited to, requiring a specified number of signatures as a precondition to appearing on the ballot or permitting nominations through a Nominating Committee.

The Board shall establish policies and procedures for nominations no later than 90 days prior to any election. Except with respect to "write-in candidates" or nominations made from the floor at any meeting (if permitted by the policies and procedures), nominations shall be made no later than 45 days before the election shall be held.

The Board shall provide for as many nominations on each slate for election to the Board as it, in its discretion, shall determine, but in no event less than the number of positions to be filled from each slate as provided in Section 3.5. The policies and procedures established by the Board shall provide for the nomination of director(s) to be elected.

For any election, the Board may, but shall not be obligated to, appoint a Nominating Committee. If appointed, the Nominating Committee shall consist of three or more persons and a Chairperson, who shall be a member of the Board. The remaining members of the Nominating Committee shall be Homeowners, or any officer, director, partner, or trustee of a Homeowner which is not a natural person.

Alternatively, the President, Community Manager and Communications Committee shall initiative efforts to solicit candidates for election to the Board. This effort shall begin in January and may consist of newsletter articles, Bulletin Board postings, Web Site notices and any other methods they deem appropriate.

Candidates shall submit their names to the Community Manager and complete all application forms. These forms shall be used to distribute information on the candidates to the Homeowners prior to the Annual Meeting.

A slate of candidates will be created and sent to all homeowners along with the ballot for the Annual Meeting, not later than 30 days before the scheduled meeting.

Additional nominations from the floor during the meeting will be permitted.

Voting shall be in conformance with the By-Laws and CC&R's (e.g., voting will be by secret written ballot for those present at the meeting).

Votes shall be counted by the Community Manager and a group of three Homeowners selected by the President at the Annual Meeting.

3.5. Election and Term of Office. Except as provided in this Section 3.5, annual elections for directors shall be held in April. Directors elected at such annual elections shall take office effective immediately and complete the training requirements as soon as practicable pursuant to Section 3.1.. Except as otherwise specifically provided in these By-Laws, each director shall serve two-year terms. The terms will be staggered as determined by the Board of Directors; provided, directors shall hold office until their respective successors are elected (or appointed as the case may be) and take office. Directors may be elected by Homeowners to serve up to three consecutive terms. Notwithstanding the above or any other provision of these By-Laws:

(e) Each Homeowner shall be entitled to cast one vote with respect to each vacancy to be filled. There shall be no cumulative voting. The candidate(s) receiving the most votes for each vacancy to be filled shall be elected.

3.6. Removal of Directors and Vacancies. Any director may be removed, with or without cause, by a vote of the lesser of (a) a majority of the Homeowners entitled to vote for the election of such director, or (b) the number of Homeowners that voted to elect such director, plus one. Any director whose removal is sought shall be given notice prior to any meeting called and noticed in accordance with these By-Laws for that purpose or prior to any recall vote conducted by mail for such purpose. Upon removal of a director, a successor shall be elected by the Homeowners entitled to elect the director so removed to fill the vacancy for the remainder of the term of such director.

Any director who has three consecutive absences from Board meetings, who is more than 60 days delinquent in the payment of any assessment or other charge due the Association, who fails or refuses to complete the training requirements referenced in Section 3.1 above, or who is shown to be in violation of any written policy or resolution adopted by the Board, may be removed by the vote of at least two-thirds (2/3) of all directors at a regular or special meeting of the Board at which a quorum is present. In the event of such removal by the Board, a successor may be appointed by the Board to fill the vacancy for the remainder of the term.

In the event of the death, resignation, removal or otherwise of a director elected by the Homeowners, the Board may declare a vacancy and appoint a successor to fill the vacancy for the remainder of such director's term and until the successor director elected by Homeowners takes office in accordance with the provisions of Article 4.3..

3.18. Powers. The Board shall have such powers as are necessary and appropriate for the management of the Association's affairs and for ensuring that the duties and responsibilities of the Association as set forth in the CC&R's, these By-Laws, the Articles, and as provided by law, are fulfilled. The Board may do or cause to be done all acts and things as are required by the CC&R's, Articles, these By-Laws, or Arizona law to be done and exercised exclusively by the Homeowners generally. The Board may delegate powers to committees, officers, a management agent or agents, or employees of the Association and, if so delegated, such powers may be exercised without unreasonable interference by the Board.

3.20 Conflicts of Interest. If a contract, decision or any other action would benefit a member of the Board, or a Board member's family, or present or former business associates, the Board member must:

(a) declare a conflict of interest

(b) the declaration of the conflict of interest must be in an open Board meeting

(c) the declaration of conflict of interest must be made before the vote is taken;

the Director must recuse himself.

4.1. Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer. The officers of the Association need not be members of the Board and need not be Members. The Board may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed by the Board. Any two or more offices may be held by the same person, except the offices of President and Secretary. (Reversed the Governance Committee to keep the original wording.)

4.2. Election and Term of Office. The officers of the Association shall be elected by the Board at an organizational meeting of the Board taking place pursuant to Section 3.5. Each officer shall serve a one year term; provided, each officer's term shall automatically renew unless a majority of the directors vote not to renew.

4.3. Removal and Vacancies. Any officer may be removed by a vote of at least two-thirds (2/3) of the directors. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board for the unexpired portion of the term. (Reversed the Governance Committee to keep the original wording.)

4.4. Powers and Duties. The officers of the Association shall each have such powers and duties as may specifically be conferred or imposed by the Board; provided, the Board may not confer or impose powers or duties which may not otherwise be exercised by the Board. In the exercise of delegated responsibilities, officers shall not direct or unreasonably interfere with the day-to-day operations of the Association's management agent, if any, or such Persons designated or employed by the Board to perform management functions. By way of example, and not limitation, the officers shall have the following powers and duties:

(a) President. The President shall be the chief executive officer of the Association and shall exercise general supervision and direction of the affairs of the Association. The President shall have the authority to directly administer all matters not expressly delegated or assigned to a managing agent or agents or others. *The President shall establish the agenda for all board meetings, distribute it to the other Board members at least 48 hours prior to the board meeting and Board members shall be given the opportunity to reply with requests for additional agenda items. In the event of significant additions, a second agenda will be issued by the President to all Board members*

(b) Vice President. The Vice President shall act in the President's absence and shall have all powers, duties, and responsibilities provided for the President when so acting.

(c) Secretary. The Secretary shall be responsible for ensuring that the minutes of all meetings of the Association, the Board, and the committees of the Board are kept, and shall have charge of such books and papers as the Board may direct. In the Secretary's absence, any officer directed by the Board shall perform all duties incident to the office of secretary.

(d) Treasurer. The Treasurer shall have responsibility for ensuring the preparation of the Budget as provided for in the CC&R's and these By-Laws by the management agent or agents retained by the Association or, if no managing agent is so retained, such persons retained by the Board to perform management functions.

5.2. Other Committees. In addition to committees of the Board as set forth in Section 5.1 and such other committees as are required or authorized under the Governing Documents, the Board, by resolution from time to time, may establish such committees and charter clubs as it deems appropriate. Any such committee may perform such tasks and functions as the Board may designate by resolution; provided, no committee or committee member may exercise any power or authority which could not otherwise be exercised by the Board in accordance with these By-Laws. The role of committees established pursuant to this Section shall be to advise the Board with respect to establishing operational policy or to assist the officers in the performance of their respective functions. No committee or committee member shall be authorized to perform or interfere with the day-to-day operations of the Association.

Each committee appointed pursuant to this Section shall consist of at least one director. Other committee members may be Homeowners. A candidate slate consisting of all homeowners who volunteer for committee assignments must be presented to the Board for vote. Committee members serve at the Board's discretion for such periods as the Board may designate by resolution; provided, however, any committee member, including the committee chair, may be removed by the vote of a majority of the directors. A committee member, other than the Director, may not serve on more than one standing committee at any one time. Each committee shall consist of no more than one representative from a Property. Any resolution establishing a charter club shall designate the requirements, if any, for membership therein. Each committee and charter club shall operate in accordance with the terms of the resolution establishing such committee or charter club.

6.3. Conflicts. If there are conflicts between the provisions of Arizona law, the Articles of Incorporation, these By-Laws, and the CC&R's, the provisions of Arizona law, the Articles of Incorporation, the By-Laws, and the CC&R's (in that order) shall prevail.