

Casas Adobes Terrace

HOMEOWNERS ASSOCIATION

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Minutes of an Annual Meeting of The Casas Adobes Terrace Homeowners Association Saturday, November 17, 2007 1:00 P.M. Northwest Y.M.C.A.

As amended and approved at the November 18, 2008 Annual Meeting

Directors Present
Lin Turner, President
Kathleen Maldonado, Secretary
Richard Baumann, Director

Directors Absent
Bert Sanchez, V.P.

Stratford Management
Sarah Lebsack
Helen Brown
Joseph O'Hagin

I. Call to Order and Establish Quorum

Stratford Management informed the Board that a total of 38 lots were represented either in person or by absentee ballot, thereby constituting a quorum. Ms. Turner called the meeting to order at 1:10 P.M. Ms. Turner introduced the Board of Directors as well as representatives from Stratford Management and asked the homeowners to introduce themselves.

II. Approval of Minutes of the November 8, 2006 Annual Meeting

A homeowner requested the following change be made to the 2006 minutes:

Section IV Community Update: Lawsuit: "A homeowner petitioned to increase the number of Board members to five" should be changed to read "Homeowners petitioned"
Section VIII Adjournment: Change Janice Turner to Janice Trainor.

Ms. Turner made a motion to approve the November 8, 2006 Annual Meeting Minutes as amended. The motion was seconded by Ms. Maldonado. The minutes of the 2006 Annual Meeting were approved with 37 homeowners in favor and 1 homeowner opposed.

III. President's Report

Ms. Turner recapped 2007 with the following highlights:

Change in management companies: In January of 2007 began a search for a new management company as the Board and the homeowners were not happy with Lewis Management. Lewis Management was too departmentalized and this did not work well with Casa Adobes Terrace Homeowners Association. On April 1, 2007 Pro was signed as the new management company. There were several problems that were never able to get resolved. In July Pro informed the Association that they were unable to handle the account due to staffing at Pro. The Association subsequently interviewed three management companies. In October 2007 Stratford Management was asked to meet with the Board and the homeowners and was selected as Casa Adobes Terrace Homeowners Association's management company.

Lawsuit Another appeal was filed by the homeowner. The lawsuit was beginning to deplete the funds for attorney fees. In June 2007 CATHOA went into mediation which proved successful for the Homeowner's Association. The Association was rewarded a total amount of \$74,000, however \$36,000 of the proceeds have

been expended towards such attorney fees as a result of the continuing lawsuit. The Association also made \$8,000 in improvements to the entrances as well as park landscaping improvements which was funded from the lawsuit proceeds. The Association has spent a total of \$44,000 which leaves the Association approximately \$30,000 which the Board is asking homeowners for input as to the best way to utilize the money in the Annual Meeting Packets.

IV. Financial Report

Ms. Turner informed the homeowners that prior to the Annual Meeting the Treasurer had resigned his position on the Board. The 2008 Budget has been included in the Annual Meeting Packets that were mailed to the membership. The 2008 Budget reflects a 5% increase in assessments. The State allows up to a 20% increase in assessments.

A homeowner asked the Board what happened to the money from the lawsuit and if a homeowner was part of the original lawsuit why the decision was made without their input.

Ms. Turner answered by saying that the \$74,000 received was the result of a mediation process recommended by the Association's attorney. Some of the funds were spent on attorney fees as well as improvements to the entrance of the Community as well as park landscaping improvements. There is a balance of approximately \$30,000 that the Board has asked for suggestions from the membership. The Board was instructed by their attorney that the decisions regarding the lawsuit had to be made in closed meetings without input from the homeowners. The \$74,000 was ordered by the Court as a bond, which covered the assessments owed but not all attorney fees.

A homeowner suggested to the Board that they could have obtained some input or feedback from the homeowners. Once again Ms. Turner stated that the attorney said that this -issue could not be discussed in an open meeting.

Another homeowner said that he had spoken with an attorney who suggested that the Association could have been rewarded an additional \$40-50,000 should the appeal process be allowed to continue. Mr. Baumann said that the attorney's fees would have run an additional \$20-30,000 with no guarantee of being successful.

A third homeowner said that it was time to move on and asked if there were any provisions made for the homeowner to remain current. Ms. Turner said that as a result of a Court order there are two years worth of assessments held in escrow to be paid by the homeowner's attorney. At the end of the current two years, the homeowner must deposit another two years worth of assessments into an escrow account. Janice Trainor asked for confirmation that the legal suit is over; that future suites cannot be filed and that homeowner will be treated the same as all other homeowners in regard to enforcement of CC&Rs violations. Lin Turner, President and Sarah Lebsack/Stratford Management confirmed.

Another homeowner asked how many houses are owned by this homeowner? Ms. Turner responded by saying that the homeowner only owns one house and it is her intent to sell the final property.

A homeowner stated that they were not happy about how the Board resolved the lawsuit. Ms. Turner said that Pro was asked to send letters to the homeowners, however, that was not done. The Board also dropped the ball and for that we apologize.

A homeowner said that the Board has a responsibility whether they are paid or volunteer and they must make financial statements readily available. The President cannot always blame the management company. Ms. Turner replied by saying that the Board never receives original documents and the Board can only give the homeowners their best effort.

A homeowner said that the 2008 Budget is not accurate-the operating expenses do not seem to add up. Ms. Lebsack from Stratford Management said that there was a typographical error on the Budget which will be corrected and a correction 2008 Budget will be sent to the membership.

Ms. Turner informed the membership that the increase in the trash expense is due to a fuel surcharge that varies

from month to month.

A homeowner asked what the \$50 per month charge for the website is. Mr. Bauman explained that the current website is Casa Adobes Terrace's website. Mr. Baumann went on to say that he had met with Mr. Krambeal, General Manager at Stratford Management and viewed the Stratford Management's alternative website for Casa Adobes Terrace or the Board could continue to utilize the current website. The webmaster offered a huge discount and is only set for a three month period. The website allows Casa Adobes Terrace to sell advertising space to local merchants that could support the cost of maintaining the website. Mr. Baumann asked for volunteers to help sell advertising space.

V. Committee Reports

A. Architectural Committee: Mr. Velasquez, ACC Chairperson introduced himself to the membership. He reviewed the 2006 ACC submittal requests saying that there were 17 applications, 13 were reviewed and either approved or denied with 4 being tabled. Mr. Velasquez went on to explain that homeowners who wished to repaint their homes the same color do not require ACC approval. The current ACC Committee believes that it is more appropriate to meet with the homeowners face to face upon receipt of an ACC submittal rather than by written correspondence.

The Committee felt that by speaking with homeowners directly results in a quicker approval process by addressing questions that may be brought up by the committee or the homeowners.

Ms. Turner told the membership that as of November 2007 there is a new ACC Committee composed of Phil Hower, Bill Cullum, Mike Yoquelet and Manny Urban.

B. Landscape Committee: Ms. Turner told the membership that the new landscape company, Sol Design is doing a very acceptable job. There fees have not gone up for the 2008 fiscal year. The Landscape Committee is currently looking for a volunteer to assume the position of Chairman and it takes about one hour a month commitment. This position is responsible for managing the Common Areas only.

VI. Election Results

Elected to the Board of Directors were William Cullum and Sue Yoquelet for two year terms ending in 2009. Ms. Turner told the membership that there currently is an open position on the Board as the result of the resignation of current Board member. The open position is to be filled by appointment of the Board. Any homeowner wishing to submit their name for review is to contact Stratford Management.

VII. Call to the Audience

- There is a lot of discord between the homeowners and the Board.
- The exchange among neighbors is very rude at times.
- Lines of communication need to be kept open.
- Board needs to respond to the concerns of homeowners in a timely manner.

VIII. Appoint 2008 Nominating Committee

Ms. Turner told the membership that volunteers are being sought to serve on the 2008 Nominating Committee. This committee will serve from Nov 2007 until the 2008 Annual Meeting. Any person who is interested is to please contact Stratford Management.

IX. Adjournment

A motion was made, seconded and passed to adjourn the meeting at 3:00 P.M.

Respectively submitted:

Helen B Brown
Administrative Assistant

Stratford Management
For the Casas Adobes Terrace Homeowners Association
Board of Directors