

QUAILWOOD MEADOWS TOWN HOMES ASSOCIATION

INITIAL BOARD OF DIRECTORS MEETING DRAFT

September 9, 2008

An initial meeting of this Board of Directors was held on Tuesday, September 9, 2008 at 12725 East Bradshaw Mountain Road, Dewey, Arizona at 12:00 noon. Present and participating in said meeting were Board members Marge Bellson (President), Bill Atherton (Vice President), Bob Conklin (Secretary/Treasurer). Also present on behalf of HOAMCO were Judy Smeltzer (Chief Operating Officer) and Marsha Dashney (Community Lifestyle Director). Michelle Robinson acted as Note Taker.

I. Call To Order

The meeting was called to order by Judy Smeltzer at 12:15 p.m.

II. Nomination of Board Titles

Judy Smeltzer introduced the Board as the following: Marge Belson, President; Bill Atherton, Vice President; Bob Conklin, Secretary/Treasurer.

III. Approval of Financials

a. Presentation of April, May, June, July, August 2008 Financials – According to Judy Smeltzer, the Board will not be required to approve these financials. This is a non-action item.

IV. Old Business

- a. Warranted Roof Repairs – Marsha Dashney reported that the Association had the annual roof report done. In the last few weeks' community members may have noticed workers up on different roofs – this was the reason. They did find several roofs that had outstanding issues, that work was done and all of the roofs in questions have been 100% completed. Moving forward Marsha has to have a licensed contractor come in to inspect the roof repairs to make sure they have been done correctly.
- b. Warranted Siding Repairs – Marsha Dashney continued by stating that the siding repairs are 85% completed. Empire utilized 3-different siding contractors and Marsha has been working with two of the three. Again, moving forward she will have to have a licensed contractor come in to make sure the siding repairs have been done correctly and how to pursue with the siding issues that are still outstanding. The community members present had a few individual siding questions and those discussions followed.
- c. Attorney Rob Barry with Burdman & Shore, was present to address construction defects. He stated that he came to the meeting mainly for communication, to answer any questions community members may have and to outline the legal issues at hand.

His office is representing the association and a number of town home homeowners in the action against Empire for the construction defects and deficiencies.

What Burdman & Shore and Rob Barry have done:

- Filed a proof of claim to preserve all homeowners claims before the bar date passed.
- The next step is to move the Bankruptcy court to override the stay.
- They are in the process of verifying the insurance amount. They are also researching to find any other insurance carriers that were with Empire that can be accessed.

What Burdman & Shore and Rob Barry will be doing:

- Once they have the Stay, then they can proceed with all of the claims from homeowners and the Association against the builder.
- At that point your CC&Rs provide a very complicated claim process. The builder writes the CC&Rs and one of the things that they do is put in place a process that has to be followed before a claim can be brought up against them. The first process is the Notice of Claim. If settlement is not reached, the next step is mediation, and then comes arbitration.

Rob then asked if any present community members if they had questions. Question, answer and discussion followed.

V. New Business

- a. Lift Station – The Town came out and inspected the lift station and sewer lines, however there is a need for upgrades that will cost between \$10,000 to \$15,000 dollars. The Board is in the process of collecting bids for the work that needs to be done. The Board did receive a letter from Neil Wadsworth, stating that aside from unforeseen circumstances, if this work is done then the Town will accept the sewer lines. The board hopes to complete the bid collection and work within the next few months.
- b. Utility transfers to TH HOA name – Marsha explained that most of the utilities (gas, electric, and phones) within Quailwood were in Empire’s name. The Board is working to transfer all of the utilities to the Townhome Community Association.
- c. Landscaping Contract – the landscaping contract is almost expired with the current vendor. The Board is currently pursuing bids from other landscaping companies, as many community members are unhappy with the current landscapers. They are getting “two-tier” bids for the master common grounds and town home common property. There were many drainage issues presented by community audience members, Judy Smeltzer stated that the Quailwood reserve account is 150% funded currently, there is a possibility of utilizing that money to fix some of the drainage problems. A discussion followed.

VI. Reports

- a. Management Report – Marsha Dashney presented the management report to the Board. She stated that the items on her management report are many of the topics discussed within the meeting already i.e. old business, new business, etc. She did

want to mention that there have been many compliance issues in regard to vehicle parking in non-compliant areas, she has notified the appropriate people and these vehicles have been moved.

Marsha asked that community members please update their e-mails or other contact information with her by filling out a form at the community center so that their records will be current.

- VII. Open Forum: A community audience member asked when the financials will be available on the Quailwood community website. Marsha Dashney explained that the website was originally something that Empire managed and she is looking into developing a new website with another company or utilizing the HOAMCO website somehow. This may take some time to implement, but in the mean time if you would like a copy of the financials Marsha can mail them out, e-mail or fax them.

Another audience member mentioned a concern regarding overnight parking, event parking at the ballpark across from the community center, community clean up from dog walkers as well as after ballpark events and speed limit violators driving through the community. Marge Belson addressed these concerns and a discussion followed.

Parking compliance issues and safety was a question from an audience member. Marsha Dashney addressed this by informing the audience that if a community member has any complaints or compliance concerns they need to come to the community center and fill out a form with all of their information and she will then submit that form to the compliance office for enforcement. There was a discussion of starting neighborhood watch in the community and a discussion followed in regard to that.

X. Adjournment

With no further business, Marge Belson made a motion to adjourn the meeting. Robert Conklin seconded the motion and the meeting was adjourned at 1:54 p.m.

Bob Conklin
Secretary/Treasurer

Date: _____