

**PINES AT SOUTH MOUNTAIN HOMEOWNER'S ASSOCIATION
ANNUAL MEETING**

Minutes of November 10, 2003

The meeting was called to order at 6:40 p.m. by Board president, Greg Tolliver.

Greg Tolliver noted that a quorum was present; 54 homes were represented either in person or by proxy. He presented the Affidavit of Mailing Notice.

Introduction of Board Members

Linda Czarnecki, Frank Aguilera, Rockie Mason, Keely Reynolds.

Pam Hilliard, property manager, represented City Property Management.

Approval of 2002 Annual Meeting Minutes

Following review of the 2002 annual meeting minutes, a motion was made from the floor to dispense with the reading of the minutes. The motion was seconded and approved.

Rockie Mason reviewed the financial statement and noted that for the period ending October 31, 2003, the operating account had \$11,260 and the reserves totaled \$56,400. In addition, she noted that the association is currently under budget for the year.
Was there more here in Rockie's report? I was still signing in people at this point.

The financial report was accepted as presented with a motion made from the floor. The motion was seconded and approved.

President's Comments

Greg Tolliver reviewed various accomplishments during the past year -- Pam, what were these? He noted that the board had been working with an engineer and attorney regarding the possible deficiencies in the construction of the perimeter walls that had caused serious cracking the walls. A motion was made and seconded that the attorney, Scott Burdman, and engineer, George Wass be removed from the meeting. The motion failed. A heated discussion took place over the board's decision to expend association funds to hire an attorney and engineer regarding this issue and to enter into litigation without informing the membership or receiving their approval as required by the documents. Greg Tolliver advised that the board was performing their fiduciary duty in investigating whether or not there was a problem with the perimeter walls and if the walls were a hazard as they existed. Rockie Mason advised that no reserve funds had been expended on this matter, any payments made had been paid out of the operating account. Pam Hilliard advised that no litigation had been initiated; the board was on a fact finding mission. Frank Aguilera noted that the board had already discussed taking no further action without advising the membership and obtaining a vote.

George Wass gave a short presentation and advised that two of the ten wall sections inspected were deficient in construction and did were not built to Arizona Masonry Guild Standards. His recommendation if similar deficiencies were found through the perimeter walls would be to tear down the existing walls and rebuild them.

Bylaw Amendment

The proposed Bylaw amendment, which would provide for staggered terms for future board members, was discussed and voted on. Following voting, Pam Hilliard announced that the amendment had passed with 53 for the amendment, 9 against.

Introduction of Candidates/Election

Pam Hilliard advised that there were five board positions to fill in the election. No homeowners had indicated their interest in running for the board. However, current board members Rockie Mason, Linda Czarnecki, Greg Tolliver and Frank Aguilera advised that they would run for another term on the board. In addition, William Earl nominated himself for the board. As five positions were available and there were five candidates, the candidates were voted in by a vote of acclamation. To determine the terms of each new board member, those present at the meeting were asked to cast their votes. The ballots were collected and counted. The following candidates were elected to the board for two year terms: Greg Tolliver, William Earl, and Frank Aguilera; Linda Czarnecki and Rockie Mason will have one year terms.

Homeowner Open Discussion

Brian Marine asked that the board discuss the possibility of changing the CC & R's to make homeowners responsible for the maintenance of their own front yards. Greg Tolliver advised that the board had already placed the matter on their first meeting agenda for discussion.

Adjournment

There being no further business to discuss, the annual meeting adjourned at 8:50 p.m.

Respectfully submitted,

Mary Jane Labut
Recording Secretary