

MARBRISA RANCH HOMEOWNER ASSOCIATION
Minutes of the General Meeting – January 10, 2005
Glendale Christian Church/ Room C103

Present: Paul Mason, Bob Fulton, Bill Wilkinson, Mike Abretske and Jennifer Rewerts with R&R Property Management

I. Abretske called the meeting to order at 7:04 PM

II. Abretske informed the homeowners that the Sergeant of Arms was on duty and would not be able to attend the meeting.

III. The minutes of the November 9, 2004 meeting were reviewed. A motion by Mason, seconded by Wilkinson to accept the minutes as written. All in favor; motion carried.

IV. The financial report was presented by Rewerts. As of November 30, 2004, the Association had \$7,536.72 in checking, \$12,608.17 in reserves and \$8,000.00 in CDs. The total assets were \$28,144.89. Abretske requested an update on the large water expense for the month of October. Rewerts explained that the city did a re-reading on the meter and informed us the meter reading was correct. Fulton explained that he is now reading the meters monthly to make sure his reading is the same as the city's. A motion by Fulton, seconded by Wilkinson, to accept the financial report as presented. All in favor; motion carried.

V. OLD BUSINESS

Abretske explained that the by-laws state that the Association should run with a 5-Board membership, even though business is currently conducted with a 6-Board membership and 1 vacancy. Mason explained that research of the by-laws and past minutes would need to be conducted as the Association has been operating with a 7-Board membership for years. Rewerts will present the options at the next meeting.

Fulton explained that the back flow cages will be purchased and installed soon, but the rain has been holding up the installation.

Rewerts explained that the accounting department is unable to process payments received prior to January 1, 2005 to reflect after January 1, 2005. This is for 2 reasons, now that the Association is utilizing lockbox, the payments are automatically processed and applied the date they are received and the second is payments should be deposited when they are received, regardless which month they are going to be applied to. Rewerts explained that \$10,826.27 has been received in pre-payments for Quarter 1, 2005. Mason asked if a line item could be added to January's financials showing the pre-paid balance. Rewerts will ask the accounting department. Abretske requested that this discussion be tabled until Al Stockman is able to attend the next meeting.

Rewerts read the attorney's letter regarding the accounting department going after lenders to have delinquent accounts paid. According to James Hazlewood with Carpenter Hazlewood, "The key language is 'may' pay them. Lenders 'may' pay anything – taxes, insurance, etc., if they think it jeopardizes their security. If this is a first mortgage, under

Arizona Law, the HOA lien is secondary. Therefore, their security is not jeopardized. Rarely do mortgage companies pay anything they don't need to pay. Frankly, if one does, it would probably be a mistake – as different states have different laws. Therefore, we do not spend any time on this.”

Rewerts presented the insurance quotes to the Board. Rewerts explained the 3 bids that were obtained are comparing apples to apples, where the bid that Stockman sought was not. Rewerts presented a letter from The Mahoney Group which explained how American Family is not including everything that should be covered in their policy. A motion by Mason, seconded by Wilkinson to proceed with The Mahoney Group as the insurance carrier for 2005. All in favor; motion carried.

Rewerts presented the audit bids from 3 certified public accountants. Rewerts explained that as of December 28, 2004, one of the CPA withdrew their bid. The Board reviewed the costs and requested an explanation from Mark Reece on what “supplementary information about future major repairs and replacements” meant. A motion by Wilkinson, seconded by Fulton to accept Mark Reece to perform the audit for \$1,450.00 on the condition that an explanation of the 3rd paragraph in the proposal could be provided. All in favor; motion carried.

Rewerts presented the painting bids of the ramada. Mason requested additional information from Kora Painting and clarify if their cost includes sanding and preparing the ramada prior to painting. Also, what type of warranty would be provided on the job performed. Decision on accepting the paint bids tabled until additional information could be obtained from Kora Paint.

Abretske provided and explained the Maximum Annual Assessment schedule for the Association. Included in the table summary was water, electric and insurance costs that the Association has paid since the inception from the builder. A motion by Abretske, seconded by Fulton to approve the Maximum Annual Assessment schedule. All in favor; motioned carried. Abretske explained that the information would be posted on the web site along with a detailed explanation of what each chart. Mason explained that one of the largest expenses that the Association will accrue will be the replacements of the dry-wells. He explained that prior to raising any additional funds for the Association; research on the dry-wells should be performed to determine the actual cost of repairs/replacements.

Abretske requested any comments regarding the quarterly assessment for 2005. There were no comments from the floor.

VI. NEW BUSINESS

Abretske requested the termination of Mikesell Accounting be tabled until Stockman attends the next meeting. Rewerts explained that R&R is currently looking into performing their own check and balance of the monies.

Abretske notified the members that management bids are being sought as the management contract has never been bid out before and currently 3 bids have been received: R&R, City Management and AAM.

A motion by Abretske, seconded by Wilkinson to appoint John Miller, Diane Silverberg, Suzanne Greth, Gil Dicob, Bob Fulton, Mike Abretske, Mike Mazich and Terry Blogg to the Picnic Committee. All in favor; motion carried.

Abretske explained that the Picnic Committee has been working on holding the picnic at a public facility where bathrooms are available. Abretske requested that a mailing be sent to the homeowners requesting how many would be interested in attending in order to determine the amount of food that would be needed. A motion by Abretske requesting the Association provide \$150.00 to the Picnic Committee to assist in the mailing cost. Seconded by Mason, all in favor; motion carried.

VII. OPEN DISCUSSION

The next meeting will be March 14th and the following meeting will be May 9th, 2005. Fulton explained that pre and post emergent will be applied to the granite areas next week. Mason explained that costs of homes within Marbrisa Ranch are increasing dramatically.

VIII. Meeting adjourned 8:13 PM