

TUCSON ESTATES PROPERTY OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING

Minutes

Tuesday, November 10, 2009

President Larry Axthelm called the meeting to order at 8:30 pm following the TEPOA Property Owners' Meeting.

Board Members present: President Larry Axthelm; Vice President Dee Steinbrenner; Secretary Bob Bethel; Treasurer Jon Shroyer; Ray Baker; Dennis Bergquist; Wayne Evans; Sandy Howard, *telephonically*; Sue Johnstone; Bob Pillsbury; and Dee Sullivan. A quorum was present.

There was an audience of approximately 45± in attendance.

Bob Bethel moved and Wayne Evans seconded to approve the minutes of the last Board of Director's Special Session Meeting of October 28, 2009. The motion carried unanimously.

Bob Bethel moved and Dee Sullivan seconded to approve the minutes of the last regular Board of Director's meeting of October 13, 2009. The motion carried unanimously.

Treasurer's Report – Jon Shroyer asked that the Treasurer's Report given at the Property Owners' Meeting be filed for the record.

President's Report – President Axthelm gave his report.

General Manager's Report - Manager Krause gave his report.

OLD BUSINESS – None.

NEW BUSINESS

N-01 – Anticipated Expenditures: (a) Approval of legal action cost to Reserve fund:
There were no legal expenses.

(b) Kool Pool heater replacement: *Jon Shroyer moved and Dee Sullivan seconded that the Board of Directors authorize that the Board of Directors authorize the transfer of \$3,072.00 from the Uncommitted Reserve fund to the Repair and Replacement Reserve fund and the reimbursement of \$3,072.00 to the Operations Repair and Maintenance Account for payment of the replacement of the Kool Pool heater. The motion carried unanimously.*

(c) Treadmill Replacement: *A motion was made by Ray Baker and seconded by Bob Bethel that that the BOD approve the purchase of a ProForm 785E* non-commercial treadmill from Sports Authority at a price of \$899.99. Further that we purchase a 2- year commercial extended service contract for \$269 plus \$130 for delivery and setup. The total cost with sales tax is \$1395 to be transferred from the from the Uncommitted Reserve fund to the Repair and Replacement Reserve fund for payment. The motion carried unanimously.*

N-02 – Investment program: Jon Shroyer gave background on his motion, citing research, discussion and the ensuing recommendation from the Finance committee.

Jon Shroyer moved and Dennis Bergquist seconded that the Board of Directors of Tucson Estates Property Owners Association, Inc. (TEPOA) authorizes TEPOA's officers to execute the Mutual of Omaha Bank/Community Association Banc's "Association Signature Card and Agreement" (including the resolution with the Community

Association Banc, a division of the Mutual of Omaha Bank, and any other required documents, and to take all actions necessary to open accounts with the Mutual of Omaha Bank/Community Association Banc for Money Market and Certificate of Deposit accounts, including CDARS."

Sue Johnstone made a motion to table Item N-02 until such time as the Finance Committee can define, document and recommend a process by which they will keep TEPOA's cash fully invested in laddered CD's. The motion was seconded by Bob Pillsbury. After discussion, a roll-call vote was taken and the motion failed 8-3 (Nays: Dee Sullivan; Dee Steinbrenner; Jon Shroyer; Sandy Howard; Wayne Evans; Bob Bethel; Dennis Bergquist; President Axthelm. Yeas: Bob Pillsbury; Ray Baker; Sue Johnstone.)

With the original motion still on the table, discussion ensued, including risk exposure and the definition of "pilot" program. Jon Shroyer addressed some of these concerns and after further discussion, a roll-call vote was taken. *The motion carried 9-2 (Yeas: Ray Baker; Jon Shroyer; Dee Sullivan; Dennis Bergquist; Dee Steinbrenner; Bob Bethel; Sandy Howard; Wayne Evans; President Axthelm. Nays: Bob Pillsbury; Sue Johnstone.)*

N-03 – Review and acceptance of annual audit and adjust surplus figure: *Jon Shroyer moved and Sue Johnstone seconded that the Board of Directors of Tucson Estates Property Owner's Assoc., Inc. (TEPOA) accept the TEPOA financial statement and supplementary information for year ended June 30, 2009, and change the excess operating funds previously transferred from Operations to Uncommitted Reserves from \$38,014 to \$38,274.*

Sue Johnstone would like to see a time limit imposed upon the Finance Committee to complete recommendations related to their review of the auditor's Management Letter to the Board prior to the February, 2010, meeting so that important business can be acted upon in a timely fashion. Jon Shroyer recapped the business conducted at the November 9, 2009, meeting of the Finance Committee and mentioned that a Fraud Assessment subcommittee had been formed. President Axthelm asked for a roll-call vote. *With all members of the Board of Directors polled for their votes, the motion carried unanimously.*

N-04 – Sub Committee of the BOD to review legal representation: President Axthelm noted that the complexity and scope of TEPOA's legal needs are expanding, and a Sub Committee established at the Closed Session of the October 30, 2009 Agenda Setting Meeting consisting of Bob Bethel, chair, Jon Shroyer and Sue Johnstone, is charged with reviewing our legal needs and researching local law firms, and will present their findings at the November 20 Agenda Setting meeting. Informational only; no action taken.

OTHER BUSINESS

Sue Johnstone, in her capacity as liaison for the Governance Committee, asked that the Board consider allowing addenda to be added to all of TEPOA's governing documents when changes or BOD action take place prior to the annual updating and printing of same. The benefit would be twofold: (1) any residents receiving governing documents will have current information; and (2) annual updating will proceed much more quickly and easily with any changes already documented. It was agreed that the Governance Committee should proceed with this concept and develop a recommendation to bring forth to the Board in the future. Additionally, Jon Shroyer suggested creating an "errata" supplement to the CC&Rs, which would list those items in the CC&Rs that are in conflict with state and other statutes.

CALL TO MEMBERS

President Axthelm made the call to members to speak on any issue they chose.

A motion to adjourn was made by Dee Steinbrenner and seconded by Sandy Howard. The motion carried unanimously and the meeting adjourned at 9:01 pm.

Respectfully submitted, Deborah Levitan, TEPOA Administrative Assistant for
Bob Bethel, Secretary, 2009 Board of Directors

Bob Bethel moved and Dee Steinbrenner seconded to approve the minutes of the last regular Board of Director's meeting of November 10, 2009.

The motion carried unanimously.