

**STAR VALLEY HOMEOWNERS
ASSOCIATION
BOARD OF DIRECTORS MEETING
MINUTES**

DATE: July 14, 2011
TIME: 6:30 p.m.
PLACE: Ryan Airfield Conference Room in the Tucson Airport Authority Building

CALLED TO ORDER: 6:30 PM

ROLL CALL:

Present:

Dave Blankenbaker	President
Dan Harper	Vice President
Marc Borom	Secretary & Treasurer
Dan Rohler	Director at Large

Absent:

Dan Brees	Director at Large
-----------	-------------------

MANAGEMENT:

Kathy Thygersen, Community Association Manager
Chastity Crawford, Minute Taker

QUORUM:

Three (3) Directors are required to conduct a meeting; quorum is met with four (4) directors present.

Homeowner Input:

1. Mrs. Chamberlain said that the financial statements have some discrepancies. The first is the management fee charge; Mr. Blankenbaker and Mrs. Thygersen said it was due to a correction that was made resulting from being over charged the prior month. The second was an apparent double charge by lawyer Tannis Duncan. The charge was explained as being in the same amount because the time logged by the lawyer during the month was the same as in the previous charge.

MINUTES:

Approval of the May 12, 2011 Board of Directors Meeting Minutes: Minutes approved by an Action in Lieu.

OFFICER REPORTS:

➤ **President**

Block parties

We still need to coordinate with Mrs. Thygersen on the survey.

Board members have received one positive and one negative feedback about the block parties.

Eric Linthicum (lot 106), stated that he would like to have any surplus funds collected by the HOA to be returned to the homeowners, either in the form of a direct refund or reduced future dues.

Sharon Burke stated that she and her husband, Gordon (lot 11) are definitely interested in

assisting with a block party. She further stated that we have gotten to know most of our neighbors at the end of our cul de sac but would love to know the rest of the people down our street.

A Saturday in September or October will be a good time to start the block parties, one street at a time. Mr. Williamson suggested setting a deadline on which the Board will make its decision.

➤ **Treasurer**

Dr. Borom thanked Mrs. Chamberlain for pointing out possible finance discrepancies. Report presented and account balances read aloud.

Operating	Reserve	Delinquencies	Prepaid
\$22,385.66	\$25,053.83	\$11,276.22	\$3,172.96

Dr. Borom asked for homeowners to state their name when speaking otherwise it is hard to identify who is speaking when transcribing minutes from the tape recorder.

Mrs. Chamberlain spoke about delinquencies.

Mr. Williamson spoke about delinquencies as well and would like to know how much delinquencies are increasing by month or by quarter; discussion ensued.

The Board discussed pending foreclosures; there are approximately twelve; some of those should be written off.

Mrs. Thygersen explained write offs on foreclosures.

Mrs. Chamberlain addressed Cadden Community Management (CCM) Collections fees that are paid on delinquent accounts.

Mr. Williamson suggested excluding delinquent homeowners based on the delinquent amount from community events like the block parties; discussed. Mr. Blankenbaker pointed out that the purpose of block parties was to create unity not impose further division.

MOTION by Mr. Rohler to accept the Treasurers Report as presented;

SECONDED by Mr. Blankenbaker and

PASSED unanimously

MOTION by Mr. Blankenbaker to write off the balances of lots 5, 110, and 118;

SECONDED by Mr. Harper and Dr. Borom and

PASSED unanimously.

Manager's Report

➤ Please refer to attached report

➤

COMMITTEE REPORTS:

Architectural Control Committee (ACC):

Ray Perry has resigned as the ACC Chairman.

Mr. Harper has received the ACC information back from Ray Perry.

Mr. Harper would like to put a spreadsheet together (quick reference guide) to see what homes have sheds and other improvements that would have required approval and the spreadsheet can be updated as additional requests are approved; discussed.

Mr. Williamson said he created a spreadsheet that was given to Brian Hodge and CCM; Ms. Chamberlain said she may have a copy as well. Mr. Blankenbaker would like for Mrs. Thygersen to see if she has a copy; it may be included with the 2008 annual meeting minutes.

Mr. Rohler agrees to take Ray Perry's place on the ACC Committee.

Mr. Williamson inquires about the homeowner that just received a waiver for a shed; discussed.

For clarification Mr. Harper is on the review committee to update the design guidelines and Mrs. Linn, Mr. Rohler, and Mr. Hildman are on the ACC Committee.

BUSINESS:

1. Replacing Ray Perry on the ACC committee – Ray Perry resigned position on May 21st, 2011.

MOTION by Mr. Blankenbaker to appoint Mr. Rohler as ACC Chairman;

SECONDED by Mr. Harper with discussion.

MOTION amended by Mr. Blankenbaker to appoint Mr. Rohler to the ACC Committee and the ACC Committee will decide on the chairman;

SECONDED by Mr. Harper and

PASSED unanimously.

Mr. Williamson stated that the management company should supply a guideline to Mr. Rohler. Mr. Rohler will meet with Mrs. Linn and exchange information.

2. Letter to SVA or Cesar regarding transfer of the final basin lot – lot 151 – to SVA – The letter had been reviewed by the Board and signatures of Board are needed.

The letter was discussed and signed by Board members. Mr. Williamson asked if the letter was done per a legal opinion and Mrs. Linn asked where the information used in the letter regarding "Tacit Approval" came from.. Dr. Borom said the information came from the Internet.

MOTION by Mr. Blankenbaker to have all Board members sign the letter to transfer Lot 151 to SVA. The letter should be mailed with a return receipt requested and the appropriate amount of funds for mailing should be approved;

SECONDED by Mr. Rohler and

PASSED unanimously.

Mr. Williamson wants to know if the letter can be attached to the minutes;

Dr. Borom said it will be posted.

3. Advertising in the newsletter – Discussed.

MOTION by Dr. Borom to open up space in the Polaris beacon (newsletter) at \$15 per issue per business card;

SECONDED by Mr. Blankenbaker; discussion ensued. Mrs. Chamberlain and Mr.

Williamson gave input. Dr. Borom amended the

MOTION to limit advertising to one page;

SECONDED by Mr. Harper and

PASSED unanimously.

4. Input from Fellow Board Members

Mr. Harper inquired about street signs from the county; discussed.

Mr. Harper asks what he should do with the packet received from Ray Perry. Discussed; ask Ray Perry if he can provide an electronic copy and a hard copy was to be given to the ARC committee.

5. Other items as needed – Nothing at this time.

ADJOURNMENT:

MOTION by Mr. Blankenbaker to adjourn at 7:22 PM;

SECONDED by Mr. Rohler and

PASSED unanimously.

NEXT MEETING: Thursday September 8th, 2011 – 6:30 PM Ryan Airfield

Star Valley Estates HOA
c/o Cadden Community Management
1870 West Prince Road, Suite #47
Tucson, AZ 85705
July 12, 2011

Joe Cesare
4855 E Broadway Blvd
Tucson, AZ 85711

SUBJECT: Transfer of Lot 151 to SVA Corporation

Dear Mr. Cesare,

We have tried on multiple occasions, over the last 15 months without success, to hold a meeting with you and/or other representatives of the SVA Corporation to discuss options for the transfer of Basin Lot 151 in Star Valley Estates to the SVA Corporation. We will now, optimistically, try an alternative approach.

In keeping with our governing documents and the granting deed associated with the lots in question, we have already transferred lots 61 and 152 to SVA. That transfer is based on the determination by Pima County Flood Control District that lots 61 and 152 are no longer needed for floodwater detention. In keeping with our governing documents (CC&Rs – Section 5.3), the HOA Board of Directors has declared, through a Motion, that the remaining lot (Lot 151) is “immaterial, of little value, and a burden to the Association.” The Board of Directors has voted to transfer Lot 151 to the SVA Corporation.

In keeping with Section 5.3.3 of the CC&Rs, we are now formally requesting that either you or Larry Cesare approve the transfer of lot 151 to the SVA Corporation..

ACTION REQUESTED OF YOU WITHIN 21 DAYS OF RECEIPT OF THIS LETTER

Approve the transfer of Lot 151 to SVA without restrictions

Upon approval of the transfer of Lot 151 to SVA, please provide a notarized signature of an appropriate officer of SVA on the, attached Quitclaim Deed for Lot 151. After signing, please notify us of the signature and we will pick up the document and file it with the appropriate Pima County offices.

Your failure to respond to this request within 21 days of receipt of this letter will be taken as tacit approval of our request, and we will continue with the filing, and use our letter to you as written proof of approval.

If you choose to deny this request, we ask that you provide valid arguments for the rejection in writing.

Thank you for your consideration,

The Board of Directors of the Star Valley Estates HOA

Dave Blankenbaker, Pres..

Tel: (520) 488-8550

Daniel Harper, Vice Pres..

Marcus Borom, Sec. & Treas.

Tel: (520) 883-0672

Dan Rohler, Director at large.

Dan Brees, Director at large

Dave Blankenbaker

Date. 7/14/11

Daniel E. Harper

Date. 7/14/2011

Marcus P. Borom

Date. 7/14/2011

Dan Rohler

Date. 7/14/11

Dan Brees

Date. 7/16/11

PS

See attached documents for historical reference and quitclaim deed:

- 1) **Attachment A:** History of contacts with Joe Cesare
- 2) **Attachment B:** Most recent letter to Joe Cesare listing options for transfer of Lot 151
- 3) **Attachment C:** Cited Sections from CC&Rs
- 4) **Attachment D:** Letter to your attorney citing improper assignment of "Common Area" and requesting a transfer of title.
- 5) **Attachment E:** Quitclaim Deed for transfer of Lot 151 to SVA Corporation

CC: Jeff Cesare
Lawrence A. Cesare

ATTACHMENT A: History of contacts with Joe Cesare

2009_Jul_24	Email	Borom	Jeff Cesare	Request that Joe set up a meeting with HOA
2009_Aug_24	Email	Renee Dyche	MPB	Assistant confirms that Joe Cesare will set up a meeting later in the month
2009_Sep_19	Letter	Old Williamson Board	Joe Cesare	Annoying letter sent by Williamson board to Cesare regarding his responsibility for the lots

2010

2010_Feb_15	Letter	New Board	Joe Cesare	Letter of conveyance requesting a meeting to discuss basin lots and present quitclaim deeds
2010_Feb_23	Meeting	Borom & Blankenbaker	Broadway Realty and Trust	Met with Joe and Jeff Cesare and discussed options for conveyance of basin lots. Cesare promised to discuss things with his legal staff and get back to us within a month.
2010_Feb_23	Email	Borom	Jeff Cesare	Follow-up email which provided name of Wendy Erlich and information on Articles of Incorporation
2010_Apr_20	Email	Borom	Joe Cesare	Email requesting information on progress with the quitclaim deeds. No Response.
2010_May_10	Email	Borom	Joe Cesare	Notified Cesares that three months had passed without action from their lawyers. Notified them of our intention to file quitclaim deeds for lots 61 and 152.
2010_Jun_13	Email	Joe Cesare	Borom	Joe Cesare promises to try for an answer in July
2010_Jul_21 2010_Jul_22	Email Email resent	Borom	Joe Cesare	Email to Cesare requesting a meeting in July and including WORD file providing possible deed transfer options dependent on how SVA views the future value of lot 151. No Response.
2010_Aug_06	Email	Borom	Joe Cesare	Email requesting action on setting up a meeting. No Response.

2011

2011_Jan_05	Letter	Tanis Duncan	Hugh Caldwell lawyer for SVA	Letter describing issues and irregularities regarding establishing basin lots as an HOA common area. Request was made to set a meeting to discuss the issues. No Response.
2011_Feb_21	Email	Tanis Duncan	Hugh Caldwell	Cited displeasure with lack of response from Caldwell after almost two months. Requested action on resolution of issues. No Response.
2011_May_25	Phone Call	Borom	Joe Cesare	Joe Cesare was not available, but left message with assistant that we wanted a meeting after a 15 month delay.
2011_May_26+	Phone Call	Blankenbaker	Jeff Cesare	Multiple voice mail messages to Jeff Cesare requesting a meeting
2011_Jun_8	Phone Call	Jeff Cesare	Blankenbaker	Jeff called to say that a conference call would be scheduled for week of June 13.
2011_Jun_28				Jeff Cesare never set up a conference call and never called to explain why. No personal contact or valid response for 16 months.

ATTACHMENT B: Most recent letter to Joe Cesare providing options for transfer of Lot 151

Star Valley Estates
Home Owners Association
July 21, 2010

Dear Joe,

Thanks for the email indicating that you will try and provide a resolution for our remaining basin lot (lot 151) before the end of July.

In our opinion, satisfactory resolution depends totally on your view of the future value of Lot 151. There are two scenarios.

- 1) You see no future in lot 151 other than use as a floodwater retention basin. If that is the case, we request that you *transfer full ownership of the lot to Pima County.*
- 2) You view the lot as a future residential property, which will transfer to SVA Corporation whenever the lot is no longer needed for floodwater retention. If that is the case, the Board feels that holding the lot while waiting for it to revert to SVA Corporation would be an unnecessary burden for our HOA. In this case we request that you *transfer the deed to lot 151 to SVA* as soon as possible.

In either case, the Warrantee Deed naming our HOA as the responsible party will have to be eliminated and appropriate changes will have to be made to the CC&Rs.

We hope that one of the above scenarios will meet with your approval.

We would like to set up an appointment with you and Jeff at your earliest convenience to discuss the options. Our meeting times are fairly flexible. It would be nice to have the discussion prior to August 12th, which is the date for our next board meeting.

Thanking you for your consideration,

Dave Blankenbaker, President
Marcus Borom, Secretary & Treasurer

Note: The above was sent by email with a request to Assistant Renee Dyche to make and deliver hard copies to Joe Cesare and Jeff Cesare

ATTACHMENT C: Relevant Sections from SVE-HOA CC&Rs

Section 5.3 Restriction on Conveyance of Common Areas and Facilities.

Except for minor portions of Common Area determined by the Board to be immaterial, of little value, or a burden to the Association, the Common Area and facilities owned by the Association may not by act or omission be abandoned, partitioned, subdivided, encumbered, sold or transferred without the prior written approval of two-thirds (2/3) of each Class of voting members of the Association, except that:

Section 5.3.1 The Declarant and the Association shall have the right at all times to grant easements over the Common Area for the purpose of constructing, erecting, operating or maintaining thereon, therein and thereunder : a) roads, streets, walks, pathways and driveways; b) temporary overhead or permanent underground lines, cables, wires, conduits or other devices for the transmission of electricity for lights, heating, power, telephone, cable TV and other purposes; c) sewers, storm drains and pipes, drainage easements, water systems, water heating and gas lines or pipes ; and d) such other improvements as may be provided for in this Declaration or be deemed advisable in the sole discretion of the Board of Directors;

Section 5.3.2 - The restriction contained in this Section shall cease to apply to Lots 61, 151 and 152 at such time as the Pima County Department of Transportation and Flood Control District agrees in writing that Lots 61, 151 and 152 are no longer necessary as a retention or detention area . It is specifically acknowledged that the Association's ownership of Lots 61, 151 and 152 will be subject to a reverter clause in the granting deed which provides that at such time as the Pima County Department of Transportation and Flood Control District agrees in writing that Lots 61, 151 and 152 are no longer necessary as a retention or detention area, such Lots shall revert to SVA Corporation, an Arizona corporation ("SVA") or its shareholder, Lawrence A. Cesare ("Cesare") for any use consistent with this Declaration . The Association shall be required, within ten (10) days of written request from SVA or Cesare, to execute a Special Warranty Deed in favor of SVA or Cesare, whichever is applicable, free and clear of any encumbrances which were not encumbering Lots 61, 151 and 152 at the time same were conveyed to the Association or which have not been approved by SVA or Cesare, in favor of SVA or Cesare, whichever is applicable ; and

Section 5.3.3 notwithstanding anything contained in the foregoing to the contrary, Lots 61, 151 and 152 may not by act or omission be abandoned, partitioned, subdivided, encumbered, sold or transferred, in whole or in part, without the prior written approval of SVA or Cesare.

Any portion of the Common Area conveyed by the Association to another party shall, after such conveyance, be free of the restrictions and easements hereunder that are peculiar to Common Area as such, but shall continue to be subject to an easement for ingress and egress to and from any residence, access to which is normally gained over such conveyed property.

ATTACHMENT D: Letter to your attorney citing improper assignment of "Common Area" and requesting a transfer of title.

Note: Tannis Duncan no longer represents Star Valley Estates HOA



January 3, 2011

SVA Corporation
c/o Hugh Caldwell
5210 E Williams Cir #200
Tucson, AZ 85711

Re: Star Valley Estates

Dear Hugh:

This office represents Star Valley Estates Homeowners Association. My client consulted my office regarding the Special Warranty Deed executed by Title Guaranty Agency of Arizona, Inc., the beneficiary of which is SVA Corporation, of which Lawrence A. Cesare is the president. You are listed in the Arizona Corporation Commission's records as the statutory agent. I have attached a copy of this deed for your review.

There is a reverter clause in the Special Warranty Deed that provides that if the Pima County Department of Transportation and Flood Control District agrees in writing that the Property is no longer necessary as a retention or detention area, the property (described as Lots 61, 151 and 152) would revert to SVA Corporation within 10 days of a written request from SVA or Lawrence Cesare to the Association to execute a deed to the property in favor of SVA or Mr. Cesare.

Although this property is described as Common Area in the Declaration of Covenants, Conditions and Restrictions for Star Valley Estates, these lots are fenced off from any use by the Association and create nothing more than a liability. Section 1.6 describes common area as property belonging to the Association for the common use or benefit of the Owners, yet the fact that the areas are fenced off, eliminates any possibility that the owners of lots within Star Valley Estates can use or benefit any of the owners.

These lots were originally set up to be detention basins and require periodic inspections for the benefit of Pima County. However, because the deed provides that if Pima County agrees that the lots are no longer necessary as retention or detention areas, then your client would take title to the lots. My client secured the services of Peconia, Inc. to review whether the lots were part of the detention/retention system. I am attaching a copy of a letter dated December 23, 2009 from Bill Zimmerman, Manager of Planning and Development, indicating that Lots 61 and 152 were not necessary for this retention system.

SVA Corporation
c/o Hugh Calverick
January 5, 2011
Page 2

After receipt of this letter, it was forwarded to Mr. Cesare on behalf of SVA Corporation with a letter dated February 23, 2010, advising that the Association had deeded lots 61 and 151 to SVA Corporation. That letter requested that SVA Corporation take title to Lot 151, since the lot had no value to the Association or to its members. There was no response to that letter. I have provided you with a copy of that letter and copies of the deeds to Lots 61 and 151 that were recorded on June 22, 2010 at Docket 13835 at Page 318.

The purpose of this letter is to request that one of two things occur:

1. SVA Corporation will accept a deed from the Association for Lot 151, relieving the Association of any further responsibility for that Lot, or
2. SVA Corporation will execute a deed in favor of the Association for Lot 151 removing the reverter clause from the deed executed in 2000 so that the Association owns the lot free and clear of this encumbrance.

If you would like to set up a meeting with SVA Corporation and representatives of the Association, my client's representatives are very willing to discuss a mutually satisfactory resolution of this matter. The Association's biggest concern at this juncture is the liability associated with ownership of Lot 151, such as the annual maintenance requirements and liability insurance and the fact that the area is truly not common area, as it has no use to any of the members.

I look forward to resolving these issues with you.

Very Truly Yours,

Tami A. Duncan

TAD/m
Enc
cc: Star Valley Estates Homeowners Association