Tonto Hills Improvement Association

President: Robyn Baker
Vice President: Nancy Nelson
Treasurer: Kathleen Kuchta
Secretary: Chris Prentice

2025 ANNUAL GENERAL MEETING MINUTES

Date/Time: March 26, 2025, 6:30 PM
Location: The meeting was held at Christ the Lord Lutheran Church and via Zoom

Introductions – Robyn Baker

- Members present: Sandra Abbey, Robyn Baker, Don Belousek, Nancy Nelson, Paul O'Connor, Chris Prentice, Brian Richard, David Tappe
- Members absent: Kathleen Kuchta
- 22 community members attended in person and 18 members attended via Zoom.

Opening Comments – Robyn Baker

Robyn thanked:

- Steve Woods TH resident and owner of Tech4Life.Thank you for your continued support.
- Community members not on the board who placed notices in the mailbox bulletin board, called/emailed THIA membership to update directory, delivered welcome packages, printed mailing labels, made copies, stuffed envelopes for mailing, sent email blasts to the community, prepared and printed the paper directory: Ann DiChiara, Sal DiChiara, Diana Cole, Keith Heiman, Sue Kolb, Terry Luker, and Carol Stedman
- Board members and officers: Sandra Abbey, Don Belousek, Kathleen Kuchta, Nancy Nelson, Paul O'Connor, Chris Prentice, Brian Richard, David Tappe
- ACC members: Robyn Baker, Wendy Crenshaw, Mark LaLiberte (chair), Dave DiSanto, Rick Nelson (secretary), Gil Stedman.
- Robyn gave special thanks to Sandra Abbey, Don Belousek and Kathy Kuchta who are retiring from service this year.

Robyn reviewed the Board's accomplishments including:

- Represented the interests of the THIA by supporting our Governing Documents in recent litigation and sent out routine litigation updates after every board meeting.
- Focused on fire mitigation and Firewise providing dumpsters, encouraging lot owners to clear brush.
- Enhanced communication with the community, sending 59 Blasts on behalf of the THIA, ACC, THVFD to inform community on events and enhance communication with all lot owners.
- Conducted 7 Regular and Special board meetings to administer community issues in a timely manner.
- Resolved an outstanding complaint from 2022.
- Conducted Board Member training session to ensure smooth transfer of board responsibilities and operations as well as communicate Tonto Hills history to new residents.
- Responded to questions from homeowners regarding Dark Skies initiative, native plants and general operational questions.
- ACC conducted 10 meetings to communicate design requirements, and to review / approve plans, 2 special meetings to host entities considering commercial lot development.
- Assistant Secretary Sue Kolb installed to assist secretary by providing Welcome Letter information to new owners and communication to the webmaster.
- Website security update to prevent files on the password protected site from being indexed and shown on Google. New files have "no index" code added to prevent inclusion in a Google search.
- Website modified to make information more easily accessible for non-residents, realtors and title companies:(https://tontohills.net/governing.htm and https://tontohills.net/financial.htm)

- "Welcome to Tonto Hills" created to provide information on THIA, FireWise, THVFD and TH DWID. Ann DiChiara delivered information to 5 new homeowners. Sue Kolb provided welcome letters to all new property owners.
- Had multiple meetings with MCDOT representing the interests of Tonto Hills
- Supported MCDOT Open House held November 2024
- Assistant Treasurers Nancy Nelson and Don Belousek installed to assist in depositing payments verifying assessments paid and providing bank statements to the accounting firm.

Approval of March 27, 2024 Annual General Meeting Minutes

Motion to approve: Robyn Baker. Second: Nancy Nelson. Motion passed with all membership voting in favor.

2025 Election Count

- Results were certified by Foothills Accounting
- **New Board members:** Robyn Baker, Stacy Holland, Jennifer LaLiberte, Raelene Milne, Nancy Nelson, Paul O'Connor, Chris Prentice, David Tappe, and Duke Vukotic
- **New ACC members: Robyn** Baker, Mark LaLiberte, Brian Milne, Samantha Miedema, Rick Nelson, Gil Stedman

Reports

Treasurer – Kathleen Kuchta

- Nancy Nelson reviewed the THIA Financial Summary for the period April 1 through December 31, 2024.
    - Total Income is $55,390 vs. $56,513 last year.
    - Total Expense is $60,570 vs. $34,093 primarily due to an increase in legal expenses.
    - Total Net Income for 24/25 is -$5,181.
    - Transfer fees are about $3,000 higher than anticipated for 2024.

- Nancy Nelson reviewed the proposed budget for 2025-26
    - The proposed budget is $66,125.
    - Most expenses remained the same as last year except for increases for accounting services and dumpsters.
    - Expense for two additional standpipes was carried forward the past 2 years. Two standpipes will be installed in the next week.
    - Legal budget is projected to be $20,000, which is a significant drop from the $36,377 incurred in 2024.

ACC – David Tappe

- The ACC conducted preliminary or final design reviews or approvals for 12 projects that included the following:
    - 1 final approval for construction and 2 preliminary approvals for new home builds
    - Final approvals for a new garage construction and a driveway gate.
    - Preliminary approvals for a casita, new barn and 2 remodels
- Recommended revisions that were added to Addendum A of the Bylaws concerning Perc test, Maricopa Dark Sky, neighbor notification of projects and fire safety checklist rules.

- Drafted new Addendum A wording for Construction Land Clearing Guidance that was sent to the THIA Board
- Hosted presentations by 2 entities considering commercial lot development.

Environmental – Paul O'Connor

- The Paving Project is planned to mitigate dust and improve localized drainage to reduce maintenance after storms.
- Right of Way clearing completed February 17.
- Relocation of dry utilities expected to start in April and last eight weeks.
- Water line relocation will begin after the dry utilities and continue through 2025.
- Road construction expected to begin soon after utility relocation is completed.
- MCDOT FAQ project page at https://www.maricopa.gov/5890/Tonto-Hills-Paving
- Residents may submit complaints regarding potholes, street repairs, overgrown vegetation, or other non-emergency issue to Notify MCDOT https://www.mcdot.me/notify
- Additional questions contact project team at MCDOTProjects@maricopa.gov or call Tom Hermann 602-506-3342.

Landscaping and Fire Mitigation – Brian Richard

- Thanked the community for using the dumpsters; 5 dumpsters have been provided in March.
- Victor Hernandez has had our landscaping contract since August 2020 and has done an excellent job for the community.
- He hasn't raised prices since taking contract and pricing is fair compared to other landscape companies.
- Sierra is providing dumpsters this year and has provided seamless exchange of dumpsters.
- Similar pricing to other dumpster suppliers with no hidden fees or extended prices, saving overall costs to community.

THVFD and Firewise – Sandra Abbey

- Financial
    - The October Trunk or Treat and December Chili cookoff raised a total of $2,743.
    - THIA donated $8,000 for operations.
    - Checking account has $6,774 as of the February statement.
    - Savings account has $22,531 as of the February statement.
- The next fundraiser, an Italian Dinner, is scheduled for April 27 starting @ 4PM at the firehouse. Reservations are required! Reach out to Ann DiChiara for details.
- Brush Truck 2 was sold.
- Reminded the community to report the number of hours you or crews work to clear your property, as well as dumpsters you may have arranged. Email name (lot number) and number of man hours to fire@tontohills.net
- A discussion followed as to whether landscaping crews hired by lot owners can use the dumpsters. It was agreed that landscapers may only dump yard waste (tree branches, bushes, shrubs, grasses, etc.) removed from a Tonto Hills lot; the lot owner must accompany the landscaper to the dumpster. The intent is for annual clearing and not for new construction.
- Drills are held on the 2nd Saturday of each month. Members and non-members are encouraged to stop by. The next meeting is Saturday, April 12, 2025 at 7:00 a.m.

- Nancy Nelson advised the community may direct any questions on the fire department's financials to fire@tontohills.net

Old and New Business

Tonto Hills Litigation Update – Robyn Baker

Westhoff, et al. v. Rent-Sell, LLC:

- The trial on the case of Westhoff et al v. Rent Sell, LLC occurred in late April 2024. As a reminder, THIA joined this case when we became aware that one of the parties challenged the validity of our governing documents, claiming the THIA abandoned the requirements of the governing documents, specifically the 1961 Amendment to the DoRs. At the conclusion of the trial, the judge ruled that the 1961 Amendment to the DoRs is valid and effective. This is good news for the Tonto Hills community, as we have relied on that amendment for the development of the business district.
- At a hearing in late August 2024, the judge ruled on the remaining issues in the case, which involve the responsibilities for use and maintenance of the parking tracts. The DoRs are silent on these issues.
- At the beginning of 2025, the Court ruled that the THIA is entitled to recover all attorneys' fees and costs incurred during the litigation. Now that the main case has been decided, the counterclaim and other litigation will proceed. The Court is expected to dismiss certain portions of this other litigation, in light of the judgment.
- On February 10, 2025, Mr. Rensel filed a notice of appeal and is appealing the judge's decision.

Counterclaim to Westhoff, et al. v. Rent-Sell, LLC and other litigation:

- After the THIA joined the litigation, to defend the existence and reliance on our governing documents, the defendant filed a counterclaim. The portion of the counterclaim related to THIA alleges breach of fiduciary duty for joining the litigation and that THIA aided the other plaintiffs in accessing the parking tract.
- Following the THIA's visit to the defendant's residential property to confirm that a complaint filed by a neighbor was ready for dismissal, the defendant filed a separate lawsuit against the THIA and members of the Board and ACC individually. This separate lawsuit made allegations against the THIA and members of the Board and ACC for breach of fiduciary duty, among other allegations.
- No amounts of damages have been stated in either the counterclaim or the second lawsuit. THIA tendered both the counterclaim and the other lawsuit to our insurance carrier, who has assumed the defense of both claims, which were consolidated by the Court.
- Now that the main case has been decided, the counterclaim and other litigation will proceed. The Court is expected to dismiss certain portions of this other litigation, in light of the judgment.
- Robyn Baker encouraged all residents to attend meetings and to look for the updates that are sent after each Board meeting.
- Brian Milne requested additional details. Case is available on the Maricopa County Superior Court website. There were a couple of mediation sessions, one was before the Board joined the lawsuit. Neither mediation was successful. The lots involved were Raven's View and the adjacent parking tract.
- Duke Vukotic asked why the Board joined the lawsuit. The lawsuit claimed the 1961 Amendment was abandoned and was not effective. We as a Board have an obligation to monitor and enforce as well as defend our governing documents.

Term Limits for Board Members

- There is nothing in any of the governing documents that addresses term limits.

- As a volunteer organization, we want to encourage people to serve and participate. It would be counterproductive to impose term limits on those who are willing to serve on the Board.
- There are several members who have served for more than 8 years, which makes it difficult to impose term limits.
- The community has the option to vote people out.
- Tara Lehman asked why the By-laws couldn't be amended to include term limits. Robyn Baker responded it would be counterproductive as we might not have enough people to fill all the seats on the Board and ACC.
- Tara Lehman questioned when the community voted to pass the 2022 amendment to the By-laws. Nancy Nelson advised that the By-Laws are established by a vote of the Board. The DoRs can't be changed without a vote by the entire association. Rick Nelson commented that by electing the Board, you give them the authority to administer the DoRs and By-laws. The community can vote out the Board members if they don't agree with how they're administering the DoRs and By-laws. Nancy Nelson advised the Board/ACC member recall process outlined in the By-laws requires a mail ballot of all association members.

Procedure for addressing Board Member DoR Violations

- Board members are treated the same as any other resident.
- Board members are required to comply with the governing documents, in the same manner as all other residents.
- Historically, complaints against Board members have been investigated and handled in the same manner as any other complaint.
- Brian Milne asked how the Board deals with a violation if it's not defined anywhere. Robyn Baker responded that there are no fines. This is one reason the Board added the requirement that you can't serve on the Board/ACC if you have an open violation. We are an improvement association and our counsel advised that we do not fall under the AZ HOA statute. Accordingly, THIA is not able to own any property.
- Brian Milne suggested adding some kind of conflict resolution to help resolve tension between Board and some of the neighbors. Robyn Baker responded that the Board usually recommends neighbors speak to one another first to resolve disputes, but sometimes talking doesn't help. The neighbors can come to a Board meeting to try to resolve the situation. Some complaints take years to resolve. The DoRs stipulate that lot owners can sue another lot owner for DoR violations. The Board may get involved in a lawsuit if the Governing Documents are being attacked. Adding some type of dispute resolution to the By-laws will be added to the next Board meeting agenda. Rick Nelson added that at time of closing, title companies will ask the Board if the property is in good standing with the Association.
- Complaint procedure is under Article 6 Section 4 of the By-laws.
- Tara Lehman pointed out there was no formal procedure in place when she wanted to withdraw a complaint last year. Robyn Baker agreed but shared that the Board visited the site and at the next meeting the Board voted to dismiss the complaint.

THIA as Plaintiff in a Legal Action

- The Association's purpose is stated in the governing documents.
- That purpose is to defend and prosecute the requirements of the governing documents. {Paragraph 4}
- By purchasing property in Tonto Hills, community members have all agreed to abide by the governing documents, specifically the Declaration of Restrictions with its Amendments.

- The THIA has the obligation to be a plaintiff, to prosecute violations of the governing documents when community members challenge their validity or refuse to abide by their requirements.
- Robyn Baker read Paragraph 4 of the DoRs which details when the Association may institute proceedings in a court of law against any person attempting or threatening to violate the DoRs.
- Duke Vukotic inquired as to what were the damages that the Board was trying to recover when they joined the lawsuit and what was part of the DoR was violated. Robyn Baker reiterated that the 1961 Amendment was alleged to be abandoned and ineffective. We joined the lawsuit asking the judge to uphold the 1961 Amendment because it governs the commercial lots. The lawsuit is not about money; there are no stated damages. The 2nd lawsuit states that damages are to be ascertained by the court and so far, the court hasn't spoken on damages. They have awarded the Association our attorney fees but can't collect as an appeal has been filed.
- Brian Milne asked what the financial implications would be if the THIA loses the lawsuits. Robyn Baker responded that insurance company won't pay if it's part of the 1st lawsuit where we are a plaintiff, but if it relates to the counterclaim or the second lawsuit where we are a defendant there's coverage under our Directors and Officers Liability Policy. Nick Tilley asked if one of the litigants could have just provided the DoRs to the court to avoid the lawsuit. Robyn Baker responded that the DoRs were submitted to the judge, but additional testimony and evidence were required as part of the court proceedings.

Membership Forum

- Ann DiChiara advised she has information from the DWID showing the types of plants that are good to plant in Tonto Hills.
- Duke Vukotic asked about the commercial parking tracts. Robyn Baker explained that the judge determined that Raven's View could use parking tract G, but the improvements had to be done at Raven's View's cost and they needed to include the property owner as an additional insured on their insurance coverage. Duke Vukotic questioned if Raven's View got appropriate permits for the parking lot work. Robyn Baker responded that Raven's View went to Maricopa County prior to performing work and was advised they didn't need any permits. Raven's View provided a description of the work to the ACC and a copy of an email from Maricopa County stating no permits were required.
- Duke Vukotic requested a copy of the email from Maricopa County to Kym Westhoff of Raven's View and Robyn Baker advised we would need to check the Governing Documents.
- Diana Hutchinson asked about the location of the parking tracts and was advised there is a parking tract located on each of the 4 corners containing commercial lots. The parking tracts are located adjacent to Old Mine Road and include a U-shaped alleyway to the rear of the commercial lots.
- Nick Tilley asked if the ACC verifies the information that's provided by lot owners. Robyn responded that we don't usually double-check the documents that are provided by lot owners. Nancy Nelson added that Maricopa County handles complaints filed with the County and the THIA investigates complaints filed with the THIA. Robyn Baker stated we don't drive around the neighborhood looking for violations; we rely on lot owners to file complaints. Duke Vukotic questioned why the Board deals with complaints publicly instead of just investigating claims themselves. He asked why complaints can't be made anonymously as allowed by Maricopa County. Robyn Baker responded that the Board listens to the parties and evaluates the evidence provided by all parties. In the rare case where there is a discrepancy in the evidence provided, then the Board will conduct their own investigation.
- Duke Vukotic stated as a new Board member, he will suggest we dissolve the Board as it doesn't provide many services to the community. Rick Nelson responded that Tonto Hills is a deed restricted community. The DoRs remain in effect even if the Association is dissolved. Nancy Nelson advised the THIA pays for landscape maintenance, standpipes, and supports the fire department. Sandra

Abbey added there is a way to dissolve the Association, but it would require 100% of the lot owners vote to approve the dissolution.

- The new Board/ACC will be meeting as soon as possible. Announcements will be sent to the community.
- Nick Tilley suggested the Board meet monthly instead of quarterly going forward.
- Gil Stedman reminded lot owners that you don't need to be a board member to get involved in the community. You can join the Fire Department or assist the community in other ways.

Motion to Adjourn: Robyn Baker. Nancy Nelson 2nd. The motion

passed. **Meeting adjourned at 7:55 pm**

Approved 3/25/26

Chris Prentice, Secretary