

Tonto Hills Improvement Association

2026 ANNUAL GENERAL MEETING MINUTES – DRAFT

Date/Time: March 25, 2026 6:30 PM

Location: The meeting was held at Christ the Lord Lutheran Church and via Zoom

Introductions – Robyn Baker

- Board Members present: Robyn Baker, Stacy Holland, Jennifer LaLiberte, Nancy Nelson, Chris Prentice (in person); Paul O'Connor and David Tappe (via Zoom)
- 47 community members attended in person; 23 community members attended via Zoom
- Special Guest: Attorney Augustus H. Shaw IV, Shaw & Lines, LLC

Opening Comments – Robyn Baker

- Robyn reviewed the Board's accomplishments:
 - 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 86 Blasts on behalf of the THIA, ACC, THVFD to inform community on events and enhance communication with all lot owners
 - Conducted 7 Regular board meetings to communicate to community issues in a timely manner and 3 executive sessions
 - Conducted Board Member training session to ensure smooth transfer of board responsibilities and operations as well as communicating Tonto Hills history to new residents
 - Responded to questions from homeowners regarding Dark Skies initiative, native plants, general operational questions and updates
 - ACC conducted 13 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
 - Ann DiChiara delivered "Welcome to Tonto Hills" packets to 5 new homeowners The packet provides information on THIA, FireWise, THVFD and THDWID.
 - Had multiple communications with MCDOT representing the interests of Tonto Hills
 - Assistant Treasurer Nancy Nelson installed to assist in depositing payments verifying assessments paid and providing bank statements
- Robyn thanked:
 - 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: Cheryl Bell, Sam and Sammy Brandt, Diana Cole, Ann and Sal DiChiara, Joe and Jane Harrison, Keith Heiman, Jacki Hoagland, Diana Hutchinson, Mandy Kaufman, Sue Kolb, Terry Luker, and Kristine Schoonenberg, and Carol Stedman
 - Board members and officers: Robyn Baker (President), Nancy Nelson (Vice-President), Chris Prentice (Secretary), and Jennifer LaLiberte (Treasurer), Stacy Holland, Paul O'Connor, and David Tappe
 - ACC members: Robyn Baker, Mark LaLiberte (Chair), Rick Nelson (Secretary), Gil Stedman.
 - Steve Woods TH resident and owner of Tech4Life. Thank you for your continued support.

Approval of March 26, 2025 Annual General Meeting Minutes

Motion to approve: Don Schoonenberg; Second: Diana Hutchinson Motion passed with all membership voting in favor

2026 Election Count and Ballot Measure Results

- Results were certified by Foothills Accounting
- **New Board members:** Robyn Baker, Stacy Holland, Sue Kolb, Jennifer LaLiberte, Nancy Nelson, Paul O'Connor, Chris Prentice, Steve Rensel, and David Tappe
- **New ACC members:** Robyn Baker, Mike Kolb, Mark LaLiberte, Rick Nelson, Steve Rensel, and Gil Stedman
- **Ballot Measure:** Should the annual assessment be increased by \$6.25 per month, or \$75 annually for a total assessment of \$300, to fund the operating expenses of the THVFD?
Passed with 59 in favor and 48 against.

Reports

Treasurer – Jennifer LaLiberte

The financial reports provided to the community are through 1/31/26; final reports won't be available until after the THIA's year end of 3/31/26. Expenses through January were \$55,905. Expenses through February \$57,656 Still Last year's budget was \$66,125. Current in checking \$35,185; savings \$79,473. Proposed budget for 2026-27 will need to be revised to reflect increase in annual assessment and fire department donation. The THIA will make a donation to the THVFD sometime after the start of the VFD's 7/1/26 fiscal year.

ACC – Robyn Baker on behalf of David Tappe

The ACC conducted preliminary or final design reviews or approvals for 13 projects that included the following:

- One final review and approval and 2 pre-design meetings for new home builds
- Two final review and approvals and 1 preliminary review of new casitas
- Final review and approval of a new garage, landscape wall, 2 remodels, a new pool, an outdoor pool building and a new barn/corral

Addressed 4 property owner complaints and resolved 3 with the 4th still in the process of resolution

Hosted a presentation by the broker of possible commercial lot buyers to enable residents to hear their idea of development possibilities for the lots.

Tammy Seymour asked about shipping containers in the neighborhood and Robyn advised that the ACC has not received any complaints nor have they approved any shipping containers. They are not allowable under the DoRs.

A member asked if a complaint is required for enforcement of the DoRs. Robyn Baker advised that traditionally, the Board does not drive around the neighborhood looking for issues. Rick Nelson commented that past Boards have looked for violations and it did not work well. The complaint provision in the DoRs states that anyone who files a complaint has to remove themselves from the decision process; therefore, the Board wouldn't be able to consider complaints that they file themselves. Pat Monforte shared her negative experience building a home several years ago and stated she would not want to go back to the way things were handled at that time.

ACC (continued)

Jenn Witschger asked if there was a recording of the commercial lot presentation or meeting minutes available. Robyn Baker responded that meeting minutes would be available, but she is not aware of a recording. Steve Rensel confirmed none of the commercial lots have sold recently.

Environmental – Robyn Baker on behalf of Paul O'Connor

Tonto Hills Road Project Implemented by MCDOT

- Paving project is planned to mitigate dust and improve localized drainage to reduce maintenance after storms.
- Current State of Project: Water line relocation started and will continue through spring/summer. For short periods of time water will be turned off. The contractor (Loenbro) will distribute notices days ahead of shutoffs. It is recommended that residents store any water they'll need during the temporary shutoff.

- Timeline for paving roads is July 2027 through July 2028. Weather and equipment failure could change timeline.
- There are 8 parcels remaining to acquire for the project. Any questions involving real estate contact Jaelynn Carrier, senior real estate agent, at 602- 245-4771 or jaelynn.carrier@maricopa.gov
- MCDOT FAQ project page at <https://www.maricopa.gov/5890/Tonto-Hills-Paving>
- Additional questions contact project team at MCDOTProjects@maricopa.gov or call Tom Hermann 602-506-3342
- Potholes, street repairs, overgrown vegetation non-emergency issue can be submitted to Notify MCDOT <https://www.mcdot.me/notify>

Jacki Hoagland's guest asked if there was a schematic available to show how the roads will be relocated. Robyn Baker shared that some of our roads don't comply with MCDOT standards. Nancy Nelson advised Individual lot owners can request this information for their lot, but there's nothing available for the community as a whole right now.

Landscaping/Fire Mitigation – Stacy Holland

Victor Hernandez has had our landscaping contract since August 2020. He has done an excellent job for the community.

- Has not raised prices since taking contract
- Fair with pricing compared to other landscape companies

Sierra is providing dumpsters this year and had similar pricing to other companies.

- Sierra provides seamless exchange of dumpsters
- Sierra has no hidden fees or extended prices, saving overall costs to community

Dumpsters provided to date – 4

THVFD/Firewise – Nancy Nelson

Financials – Funds raised for Operations

- Individual donations \$500
- October Truck or Treat and December Chili cookoff fundraiser total \$2,335. THIA donation of \$8,000 for operations.

Fire Truck Funds raised during Valentine's Day event at the Spurgin's home - \$18,500 (\$14,248 was collected in FY24-25).

Opened an interest-bearing account with Fidelity to hold funds raised for the fire truck. A total of \$32,747 will be deposited in the fund.

Chase checking account has \$7,473 and the Chase savings account has \$13,399.

THVFD/Firewise (continued)

Firewise reminder: send in the hours you or crews work to clear your property, as well as dumpsters you may have arranged. Email name, lot number, and hours to fire@tontohills.net

Drills are the 2nd Saturday of the month.

Tonto Hills Litigation Update – Robyn Baker

Westhoff, et al. vs. Rent-Sell, LLC Information from eblasts to community:

- 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. THIA hired counsel, Quinten Cupps of VF Law, to represent the community.
- The judge ruled that the 1961 Amendment to the DoRs is valid and effective. At a later hearing, the judge ruled on the remaining issues, where the DoRs are silent. The Court also ruled that the THIA is entitled to recover all attorneys' fees and costs incurred during the litigation.
- Mr. Rensel filed a notice of appeal of the judge's decisions. Oral arguments were held at the Appeals Court in late February. The Association is waiting on a decision from the Appeals Court.

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

- As a reminder, after the THIA joined the litigation in the first case, 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.
- 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. Our insurance carrier assigned the case to August Shaw of Shaw & Lines, LLC. Mr. Shaw is in attendance at tonight's meeting.
- Efforts to resolve the litigation are ongoing. To that end, a mediation was held in late February 2026 and was productive. Through the hard work and dedication of everyone involved, we were able to achieve a negotiated settlement. The terms are confidential until a final settlement agreement is executed.

Attorney Update – Augustus Shaw

A negotiated settlement has been reached on the second lawsuit. The plaintiff's attorney is making some minor corrections to the settlement and once it's finalized it will be signed by all parties. As long as there are only minor changes, the Association will sign the agreement. Mr. Shaw does not anticipate any major changes to the terms of the agreement, but the wording may change. He's hoping the agreement will be signed by the end of March, 2026.

Don Schoonenberg asked if the settlement affects the results of the 1st litigation. Mr. Shaw responded that one of the allegations in the first lawsuit was a breach of fiduciary duty by the Board; this allegation will be resolved with the 2nd lawsuit. First lawsuit is currently under appeal and the issue of attorney fees for that lawsuit will be determined by the appellate court.

Doug Roesener asked if the first suit would be settled upon the appellate court's decision. Mr. Shaw responded that it depends on how the appellate court rules. If the appellate court upholds the decision of the trial court, Mr. Rensel will have the opportunity to appeal to the State Supreme Court. If the Court of Appeals finds an issue with the original ruling, they will likely remand that issue back to the trial court for further analysis and litigation.

Attorney Update (continued)

Sandra Abbey asked if residents will be charged anything as a result of the settlement. Mr. Shaw responded that nothing will be assessed for the 2nd lawsuit because those costs were covered by the Board's insurance company. The Board has already paid the defense costs for the 1st lawsuit, which is currently under appeal. He estimated a 60% chance that property owners will not be assessed anything as a result of the appeal process for the 1st lawsuit.

Tammy Seymour asked if the THIA could have provided an expert witness instead of joining the first lawsuit. Mr. Shaw responded our justice system tests the advice and opinions of individuals against the applicable law. Lawsuits typically aren't resolved by an expert saying "this is what it is". There is a rare type of litigation where a special master is appointed and can make decisions based on their expertise, but this is rarely invoked in Arizona. The judge who made the decision in the first case was the trier of facts and made a decision based on the arguments made by both parties. The main question of the lawsuit was the validity and enforceability of certain provisions of the DoRs. The DoRs are a contract between the Association and property owners. When someone alleges a provision of the DoRs is unenforceable, it affects all property owners. This required the Association to join the lawsuit to assert their rights to enforce the DoRs going forward.

Steve Rensel asked how the Joinder rule affects the 1st lawsuit. Mr. Shaw responded that the Joinder rule didn't apply because the original lawsuit was one property owner alleging they were personally harmed by another property owner. Lawsuit didn't allege all property owners were harmed. If a lawsuit is claiming damages on behalf of everyone (derivative lawsuit), then all owners would need to be listed as plaintiffs.

Jenn Witschger asked what part of the 1961 amendment was involved or was it the document in its entirety. Steve Rensel confirmed it was the document when first created in 1961 as well as the parking provision.

Sandra Abbey asked if the THIA didn't exist as an authority, how would the DoRs be enforced. Mr. Shaw responded the DoRs would remain in effect and would require property owners to sue one another to enforce the provisions of the DoRs. Steve Rensel noted that the appeals court is reviewing whether the entire DoRs are void because they weren't founded properly. Mr. Shaw responded the trial court would have to determine the relative rights of the parties due to the absence of the DoRs. Mr. Shaw continued

that it was unlikely the entirety of the DoRs would be voided by law, but if they were voided, all covenants would cease to be enforceable.

Jacki Hoagland's guest asked what the THIA can do to protect themselves from litigation? Mr. Shaw advised that the Board follow a policy governance model where all of the decisions are based on pre-established policies and procedures (P&Ps). Members should be made aware of the P&Ps so they know how the Board will handle a particular situation. The Board currently utilizes P&Ps.

Diana Hutchinson asked if the enforcement policy should be general in nature or does it need to list each specific type of infraction. Mr. Shaw suggested asking property owners at the AGM or via survey what the hot issues are in the community and then the Board can take action to amend P&Ps accordingly. He clarified that any change to the DoRs would need to be approved by 100% of lot owners; however, the P&Ps can be changed by a Board vote. The Association can define terms in the P&Ps that are undefined in the DoRs.

Nick Tilley asked if a DoR was violated in the past, how should the Board respond if the same violation comes up again. Mr. Shaw referred to the College Book case. Since the THIA DoRs include a non-waiver provision, the Association can enforce long-standing violations. The Kalway case states Owners must have notice of the rules of the game. Mr. Shaw provided the example of a new Board that states they will be enforcing setbacks after the weren't enforced in the past, the Board would need to notify all owners referencing that section of the DoRs and give Owners an opportunity to address any violations. Mr. Shaw also gave the example of an instance of a long-standing setback violation that would require moving an existing house in order to be in compliance with DoRs would likely be unenforceable due to relative hardship and equity.

Attorney Update (continued)

Gina Roesener asked what legal recourse would the homeowners who wouldn't have bought property if the HIA didn't exist have if there was a ruling that the entire DoRs are invalid. Mr. Shaw stated he didn't believe the court would throw out the entirety of the DoRs. The Arizona Supreme Court said in 2020 in the Kalway case that you have the right to rely on the declarations as they existed when you brought your property.

Old and New Business

Adopting Term Limits of 3-4 consecutive years for Board/ACC/DWID Members

- The DWID is a separate legal entity, and concerns need to be expressed directly to the DWID.
- Term limits are not addressed in any of the governing documents.
- As a volunteer organization, we rely on community participation. All property owners are encouraged to run for office. Without a mandate that everyone needs to serve at some point in time, it is very difficult to get enough people to run.
- Historically, members have served for more than 8 years.
- Incoming Board may discuss in future meetings.
- Diana Hutchinson asked if it was possible to address this item at the AGM. Nancy Nelson responded that this would be more of a By-laws or P&P issue and invited anyone who wanted to tackle adding term limits.

Prohibiting Members of the Board/ACC/DWID from serving on multiple committees at the same time.

- The DWID is a separate legal entity, and concerns need to be expressed directly to the DWID.
- Prohibiting members from serving on multiple committees is not addressed in any of the governing documents.
- Volunteer organization - Participation is not mandated making it difficult to get enough people to fill all of the committees.
- Incoming Board may discuss in future meetings.

Request that the THIA Board/ACC/DWID meetings be held in person in addition to Zoom.

- The DWID is a separate legal entity, and concerns need to be expressed directly to the DWID.
- Usually both options are presented. Recently there were a few Zoom-only meetings due to illness and short notice.
- Incoming Board may discuss in future meetings.

Membership Forum – no comments

Motion to Adjourn: Pat Monforte. Don Schoonenberg 2nd. The motion passed unanimously.

Meeting adjourned at 7:50 pm

Rev 4/7/26

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