

**2010 ABEVA ANNUAL MEETING
FEBRUARY 10, 2010
MINUTES**

WELCOME

Harvey Shrednick, President, called the 2010 Annual Meeting to order at 6:38 p.m. by welcoming the residents.

Mr. Shrednick thanked Andrew Stegen, General Manager of the Resort, for providing the room and the complimentary cookies and beverages.

CONFIRMATION OF QUORUM

Marcia Finberg, Secretary, confirmed that there was a quorum represented and verified that the Affidavit of Meeting Notice has been approved in accordance with Article V, Section 5.6 of the ABEVA Bylaws.

INTRODUCTION OF BOARD MEMBERS

Board Members Heather Litton, L.A. Larry Shafkind, Jim Bell, Stephen Hoffman, Marcia Finberg, Mark Monserez, Janice Ventura, Dr. Arnold Serbin and Jay Swart were introduced. Board Member Camille Ercolano was unable to attend the Annual Meeting.

Other introductions included:

Scott Carpenter, the Association's attorney
Roberta Peterson, Executive Director of ABEVA
Beryl Ross, ABEVA's Administrative Assistant
Mitzi Manka with the accounting firm McEntee & Associates
Jody Brown with Minutes & More

Phoenix Police Officer Jonathan McLachlan was introduced. He is with the Neighborhood Enforcement Team at Squaw Peak Precinct and has written several security articles for the ABEVA Brief.

Harvey Shrednick stated that there has been concern that the Board spends the Association's money on lavish parties. In fact, there have been no holiday parties for the last couple of years. When there were holiday parties, cost per home ranged from \$1.00 to \$1.50 each.

There has also been concern about an agreement pertaining to a greeter guardhouse which the Resort is obliged to build. There was a question with regard to an Agreement involving two private citizens on Loop Road which requires the guardhouse to be built within nine months of signing the Agreement. The Resort would build the greeter guardhouse but will not man it

until PUD projects begin. The agreement contains a provision allowing it to be assigned to "an association". There is also concern that when the guardhouse is operational, there may be a traffic back up on Thunderbird Trail during peak traffic times.

It was pointed out that the Resort has the right to do the construction. The Association may provide input, but the decisions are solely the Resort's.

MINUTES

MOTION made and seconded to approve the Minutes of the 2009 Annual Meeting as presented. The motion carried unanimously.

BALLOTS

The cut-off for mail-in ballots was Tuesday, February 9, 2010. Homeowners who have not voted or who have picked up a ballot at the door may obtain a ballot at this time so they can vote. These ballots will be counted by Mitzi Manka and added to the mail-in ballots.

COMMUNITY UPDATE

Andrew Stegen, General Manager of the Resort, was introduced. He stated that the PUD has been approved, however due to the current economy no construction will begin for two to three years. He thanked the Homeowners for their support. The Arizona Wing has been remodeled and renamed Ocotillo and adds 120 concierge level, high-end rooms to the Resort. This was a \$9 million project.

A new restaurant has opened; this was also a \$9 million project. Happy hour has been started at Frank and Albert's, seven nights per week.

The three historic ballrooms have been renovated and renovations to the lobby are currently in process. There has been a delay in getting the new carpet.

The owners have put about \$23 million into property renovations.

There was a 30% decrease in revenues in the past year with 28,000 group rooms canceled during the year. To date, revenue in 2010 is 20% better.

With regard to the greeter guardhouse, permission was given to take care of Thunderbird Trail, and this would include the construction of the guardhouse. The Resort will ask for input from the Homeowners and will work with their neighbors on this project. There is no plan for the Resort to man the guardhouse for several years.

There was a question with regard to the new golf course ownership (Jerry Colangelo et al). The new owners have indicated their intend to get input from the Resort in whatever they do since the Resort sends them 9,000 rounds of golf in a year. It is anticipated that improvements and upgrades will be made to the courses.

There was a question with regard to why the Resort would build a greeter guardhouse in the current economy, especially since there is no intent to man it for several years. Mr. Stegen stated that per the agreement, the Resort is not obliged to do anything further than building the guardhouse until the PUD projects begin. In clarification, the most the guardhouse would cost would be \$75,000.00. Nothing will be done by the Resort about manning the guardhouse until the PUD process begins, and the economy will dictate the start of the PUD projects.

There was a question with regard to lighting on Thunderbird Trail. Mushroom Lights were added, however it is not felt they provide adequate lighting so this issue will be addressed again.

Heather Litton, Vice President of ABEVA, spoke about PUD (Planned Unit Development). Plans were submitted to the City which included additional guest rooms, spa facilities, pool facilities, parking facilities, and other recreational amenities. A PUD Ad Hoc Committee was formed to meet with the Resort. Items eliminated immediately from the plan included a heliport, roof-top tennis, a public park, and a large water park. Revisions included lowering the heights of buildings and increase set-backs. There is a provision for a historic over-lay that protects the older buildings, however it was determined that even these buildings could be demolished after a determined period of time. The time set for this is twenty years. All future parking structures will be below grade or surface parking. Prior to any changes being made, all will have to be reviewed and approved by the DRAC (Design Review Advisory Committee) before being submitted to the City. The Resort has agreed to eleven out of twelve items presented as a Security Plan. They were not willing to do background checks on all vendors, and the Resort also has their own security program in place. With 1,688 ABEVA Members it is impossible to keep everyone happy; however the Resort does have a right to build on their own property. The Committee has done all they could to make sure the Homeowners rights are also protected.

TREASURERS REPORT

Steve Hoffman, Treasurer, reported that there will be no increase in Association fees; they will remain at \$275.00 annually.

In July 2008 the Association had a full Reserve Study and it was determined that the Association was on-target. ABEVA is struggling more this year with

collections of the Annual Assessment with \$27,000.00 still due to the Association. There are 22 pending Trustee Sales and/or Bankruptcies. The Association is, however, in very good financial shape.

STATE OF THE ASSOCIATION

Mr. Shrednick reported on the following:

- **Fiscal Responsibility:** The Association has held costs fairly constant, requiring \$600,000.00 annually to run the Association. The Association has a Reserve Fund set aside for items such as maintenance of the roads and other capital projects.
- **Security:** Mr. Swart has helped to firm up many of the security issues with improvements to reports, purchasing a vehicle as opposed to leasing one, etc.
- **Relationships with the Resort, the Golf Course, Fashion Park and all Surrounding Neighbors** have been built and the Association works hard to maintain these relationships.

ELECTION RESULTS

Heather Litton reported there are currently six available positions on the Board. Election results were tabulated by the accounting firm of McEntee and Associates, with 781 Homeowners voting in this Election. The new Board Members are James Bell, Mark Monserez, Harvey Shrednick, Stephen Hoffman, Camille Ercolano, and Stephan Goldston

OPEN FORUM

There was a question with regard to the protection of the Homeowners' access rights and whether they will have to pay for the guardhouse. Scott Carpenter stated that the Homeowners will not lose the right to use Go Down. Under a Trust Agreement, ABEVA is responsible for the Loop Road and the Resort is responsible for Thunderbird Trail. He stated that everything has been researched to protect ABEVA's rights in the guardhouse issue. They have the right to give input, however they have no veto rights. However, the Resort does not have the right to make access to the Community and Thunderbird Trail dangerous for the Homeowners.

It was suggested that ABEVA consider the issue of the environment and determine how much green is really necessary and how the Association can conserve water.

A Homeowner stated that the Association should have the right to spend \$1.13 per Homeowner for a holiday party at the Biltmore.

There was a question with regard to who will be paying for the guardhouse once it is built. There is a provision that allows the Resort to assign the cost to another association which could be ABEVA. At this time, however, ABEVA has no plans to fund the operation of a guardhouse on Thunderbird Trail. There are no funds in the budget for this and there are no plans for a special assessment to cover the cost of the guardhouse.

It was stated that the Resort does not see the guardhouse as having anything to do with their security. It will be a greeter facility only.

There was a question with regard to which areas are ABEVA's responsibility for landscaping. Ms. Peterson stated that ABEVA is responsible for a portion of the Grand Paseo, the entrance at Colter, the entrance at 32nd, the entrance at Claremont, the monuments on Lincoln, a portion of the island off Camino Acequia and several other small pieces of land.

There was a question with regard to whether something can be done to protect the community from people gaining entry off Lincoln. At one point there was barbed wire, but it has been removed.

There was a question with regard to when the Homeowners will know that something is being done about the guardhouse. Mr. Shrednick stated that at this time there is no plan, either from a project or a budget point of view, to take any action.

There was a question about enforcing height restrictions, specifically in view of the fact that a parking garage approved for three floors actually is five floors. The DRAC will provide ABEVA with the opportunity to be involved in these projects to make sure this doesn't happen again.

There was a question with regard to whether there had been any consideration given to the traffic impact on Thunderbird Trail with the addition of 600 rooms at the Resort. There is also concern about security with a Homeowner stating that homes in the community are being robbed, and it was stated that the intent of the guardhouse was to keep track of who is coming on the property (security cameras, etc.). Ms. Litton stated that traffic was addressed during the PUD process, and there was a traffic study done, however the reality is that the Resort has no cap on the number of rooms that can be built.

There was a question with regard to whether there is a list of homes that have been burglarized. Ms. Peterson stated that they took place in various communities, and access was from the golf course.

It was stated that Colony Biltmore Greens and Taliverde will be directly, negatively impacted by the construction of the guardhouse. This was determined by an independent traffic study.

It was stated that because ABEVA is not a party to the Agreement for the construction of the guardhouse, questions would be better addressed to the entities that are involved.

There being no further business to come before the Membership, the 2010 ABEVA Annual Meeting was adjourned at 8:10 p.m.

Respectfully submitted,
Jody Brown, Recording Secretary
MINUTES & MORE