

**MINUTES OF THE ANNUAL MEETING OF  
THE PRESERVE AT SHADOW MOUNTAIN HOMEOWNERS ASSOCIATION**

The Board of Directors of The Preserve at Shadow Mountain Homeowners Association held a meeting on February 27, 2014 at the Belfiore Restaurant, 15842 N Cave Creek Road.

Directors present were: Victor Felice (President), Vic Sibilla (Vice President), Mike Pestano (Treasurer), and Lynne Weaver (Secretary).

A quorum was reached and the meeting was called to order at 6:05 PM.

**Agenda items:**

**1. Approval of Minutes**

Mike Pestano moved that the minutes of the October 17, 2013 meeting be approved, Vic Sibilla seconded the motion, and the motion carried.

**2. President's Report**

Victor Felice gave an update on the lawsuits the HOA is involved in.

-The HOA's lawsuit against the previous management company, Morrison Group, and the previous HOA Treasurer, Ken Thorp, is proceeding. The HOA is seeking to receive all of the corporation's records and files from the Morrison Group and Ken Thorp.

-The HOA's insurance company paid Mr. and Mrs. Kulpins to drop their lawsuit against the HOA claiming breach of contract. No determination was made or agreed to as to the validity of their claim. Mr. and Mrs. Kulpins agreed to withdraw the lawsuit in exchange for money.

**2. Treasurer's Report**

Treasurer Mike Pestano reviewed expenses for the past quarter. All financial statements are now posted at PSMHOAonline.com for review by Homeowners.

-We saved \$11,929 this quarter giving the HOA a total cash balance of \$206,335.

-Three bids for resurfacing our streets ranged from \$450,000 to \$550,000.

-Since the new Board was installed in 2013, the HOA has increased their savings by approximately \$43,000 in one year. Previously, the HOA saved about \$4,000 per year on average.

-We have to correct our landscaping in the common areas and change to plants not requiring regular watering through a drip system. Three common areas have drip systems that were previously attached to homeowner's systems and water bills. New plans have been drawn up and bids are being solicited from landscape companies.

**3. Design Review Committee report**

Ray Sol reported there were 12 DRC cases last year, 7 concluded and 5 pending. New construction is pending on lots 40 and 31.

**4. Election**

The annual election for the Board of Directors was held. Three Board positions - Lynne Weaver, Mike Pestano, and Chris Zachar - were up for election.

-Lynne Weaver chose not to run, Chris Zachar had been removed in accordance with the CC&Rs for lack of attendance, and Mike Pestano sought re-election. There were no other candidates.

-Mike Pestano was re-elected to the Board of Directors.

-The Board voted to reduce the number of Board members from 5 to 3. The HOA operated for many years with 3 Board members before a previous Board President increased the number to 5 by making two appointments to the Board.

**Adjournment**

Lynne Weaver moved to adjourn the meeting, Mike Pestano seconded the motion. The motion carried and the meeting was adjourned at 6:45 PM.

The floor was then opened for Homeowner comments and general discussion.

Respectfully submitted,

Lynne Weaver

Secretary