

**CONTINENTAL RANCH COMMUNITY ASSOCIATION
EMERGENCY BOARD OF DIRECTORS' MEETING – COMMUNITY CENTER
SUNDAY, 13 SEPTEMBER 2009 – 2:30 P.M.**

The Board of Directors of the Continental Ranch Community Association met on Sunday, 13 September 2009 in an emergency meeting called specifically to designate a new management company to replace Stratford Management. Directors present: Mr. John Lambert, President; Mr. Chuck Stead, 1st Vice President; Mr. Colin Cordell, 2nd Vice President; Ms. Connie DeLarge, Secretary; Mr. George Erhardt, Treasurer; Ms. Marilyn Stimpson and Mr. Grant Winston, Directors. Also present: Mr. Vince Braun, Stratford Management; Ms. Sarah Lebsack, Community Manager; Ms. Dale DeMen, HOA Management Solutions; one unidentified gentleman, a KVOA cameraman, and approximately 40 residents.

I. CALL TO ORDER:

Mr. John Lambert, President, called the Board of Directors' emergency meeting to order at 2:32 p.m. The meeting was called in compliance with Arizona statutes.

II. ROLL CALL/QUORUM:

All members of the Board of Directors were in attendance.

III. QUORUM:

A quorum of four Board members was acknowledged.

Mr. Colin Cordell read a statement prepared by Board President, Mr. John Lambert, as follows: "As president of this Association, I called for this emergency meeting due to Stratford Management's letter of resignation as managing agent for CRCA, dated September 1, 2009. Under Arizona laws, an emergency meeting may be called to discuss business or take timely action that, if not held, could interfere with the operation of the Board or the system and that cannot be delayed until the next regularly scheduled meeting. The law is very specific in that no business **other than that designated** in the call for the meeting may be conducted. The item to be discussed here is to: **'Discuss the replacement management company due to Stratford's resignation.'**

"As a result of this meeting being called there has been an e-mail circulating in this community making very serious allegations against this Board. I truly regret we cannot discuss these allegations at this meeting, but I assure you that they will be addressed and answered at the next open meeting of this Board on September 23rd at Twin Peaks Elementary School—the Parking Forum. Thank you for your patience and understanding in this matter."

IV. INVITED GUESTS:

MOTION made/seconded (DeLarge/Stimpson) to remove the "invited guests" item

on the agenda (Item IV.) as it was not included as an item listed by the president, who called the emergency meeting. Affirmative votes, four; negative votes, two (Cordell/DeLarge). MOTION CARRIED.

V. REPORTS:

There were no reports presented.

Lengthy discussion followed throughout the entire meeting, with attending residents primarily concerned with hearing "reasons" for the resignation of Stratford Management Company. **Although not in accordance with the emergency meeting call**, the President and Board allowed this discourse from residents, and responses made by individual Board members, and Stratford Management personnel. Mr. Lambert and Mr. Stead repeatedly explained that certain issues could not be discussed due to pending possible litigation. However, in lieu of the continuing resident questioning, Mr. Winston recommended, for the record, that Stratford's representative be allowed to respond to many areas of concern. Mr. Braun did so, and indicated that his staff would remain in place as long as needed in order to conduct a successful transition, and uphold the 20-year reputation of Stratford Management as a credible organization.

Mr. Cordell read Stratford's letter, submitted 1 September 2009 by Mr. Joseph O'Hagin, General Manager, which reads, in part: "Owing to the current working environment with the Board of Directors, our standing as the provider of professional and fiduciary-bound management services has proven untenable. Therefore, we must regretfully deliver our intention to resign as your managing agent." There were no other reasons stated in the letter. Mr. Erhardt discussed the meaning of the terminology "untenable," and reminded that Stratford requested this "out," and not the Board of Directors. Mr. Braun acknowledged that it takes time to obtain the services of a new management company and that Stratford is willing to remain as the managing agent for the duration of the search and transition; to offer services in additional 30-day intervals.

Points of Board and resident discussion:

- Why was Stratford Management resigning?
- Why the urgency to replace Stratford at this time?
- Why can't residents know what's going on?
- Recess this meeting to allow residents to confer with Mr. Braun.
- What are Stratford's issues?
- Best management company ever.
- Obtain three bids, which has been the usual practice for expenditures over \$1,000.
- Urgency due to upcoming elections and incoming new Board of Directors, and new fiscal year.
- Important to put new management company in place for transitioning purposes.
- Not many Tucson management companies have adequate experience with large

community associations. A Phoenix-based management company would not give us immediate and local representation.

- A meeting of the Board with Stratford management, originally requested by Mr. Lambert, had been cancelled and never re-scheduled. There are collection issues and major legal issues which cannot be disclosed at this time. These issues took precedence over the meeting.
- Mrs. DeLarge indicated that Stratford never e-mailed or contacted Board members noting dissatisfaction in any area; this was echoed by Ms. Stimpson.
- HOA Management Solutions was part of the RFP evaluation process following Platinum Management's termination. They were second choice after Stratford Management.
- Mr. Lambert had been given approval by the Board to contact HOA Management Solutions to inquire of their current interest.
- Hold an open meeting to discuss further.
- Time was critical due to the "untenable" relationship stated in Stratford's letter of resignation.

MOTION made/seconded (DeLarge/Stimpson) to accept Stratford Management's 30-day notice of resignation, to hire HOA Management Solutions as the management company for CRCA, with HOA Management Solutions to begin transitioning the duties from Stratford Management starting September 14, 2009. Mr. Winston offered an amendment to the motion to consider a 60-day work release from Stratford. That amendment died for lack of a second. Mr. Cordell suggested sending out an RFP; that Stratford would wait for a period of time.

Discussions continued:

- What assurance is there that a new company will not have the same concerns/problems?
- Will there be an open meeting to assess other potential management companies?
- Since Stratford tendered a resignation, they could, in fact, walk away at any time. There would then be no management coverage during a critical time for the Association.
- Concern that the Board did not "realize" there were possible problems with all the recent personnel changes within the management staff.
- Things going on behind the scenes; the Board needs to make things clear and up front. No indication given by the Board of problems since the meeting with Stratford eight months ago.
- A protocol needs to be followed.
- Personal innuendoes against individual Board members will not be tolerated.
- Which Board members are retiring this term? (Cordell/Erhardt/Winston)
- Which Board members are on the ballot for possible re-election? (Stimpson)

Ms. Lebsack, Community Manager, indicated that VMS transitioning was in

progress; old records are being inserted into the program. This project was supposed to be completed in July; but there had been some problems. Mr. Lambert indicated that HOA Management Solutions had been VMS-operational for over two years. It was noted that HOA Management Solutions currently is responsible for 6,000 homes, with a 2,500 block of homes in their largest management community.

With discussion as to why Stratford Management had not been invited to two executive meetings, Mr. Lambert noted that it was on the advice of the Association attorney, because of collection issues. Ms. DeLarge, Board Secretary, had submitted minutes of those meetings for filing.

A call for the question eliminated further discussion. **Affirmative votes, four; negative votes, two (Cordell/Stead). MOTION CARRIED.**

VI. ADJOURNMENT:

With no further business for this meeting, **MOTION was made/seconded (Winston/Stimpson) to adjourn at 3:48 p.m. Affirmative votes, six; negative vote, one (Cordell). MOTION CARRIED**

CONNIE DeLarge, Secretary

(Minutes by Edna M. Coburn; reviewed by the Board of Directors)

Attachments for file:
Resident sign-in sheet
Agenda
Letter of Resignation from Stratford Management
Any other documentation pertaining to this meeting.