



Annual General Meeting Minutes

March 30, 2024

**Minutes by Tina Tate, Secretary
Reviewed/Approved by Mike Bires, President**



South Point Homeowners Association | 3210 Sweetwater Avenue, #307 | Lake Havasu, AZ 86406
southpoint.condos | president@southpoint.condos

2024 Annual General Meeting

Meeting Details

Date: March 30, 2024

Call to Order: 12:04 pm by the president

Location: Clubhouse/Zoom

Board Members Present:

President: Mike Bires

Vice Present: Doreen Denisty

Treasurer: Cindy Cross

Secretary: Tina Pate

Directors: Sally Pate
Tim Troyer (Via Zoom)
Joan James

Abuse of The President and The Board

During this entire year, the board has refrained from notifying the owners of the emails received from the previous president and former owner, Marla Mason.

Throughout the year, Ms. Mason has sent over 25 complaints via email. As reported by other owners, Ms. Mason has demonstrated a past practice of engaging or instigating turmoil among owners.

The current president, Mike Bires, felt it necessary to include this in the AGM Report due to Ms. Mason's recently distributed emails accusing him of several improprieties. He has since emailed Ms. Mason a cease and desist letter, with the next step being legal action should she not stop her activities.

The board has an obligation to notify all owners that Ms. Mason and the previous treasurer, Julie Wallace has refused to cooperate with the board to obtain financial documentation for 2022.

The bank statements from Wells Fargo and receipts from some contractors are missing. Cindy Cross, the current treasurer, contacted Wells Fargo and was told that statements could be obtained by either Marla or Julie if they called the bank and requested the documents.

The board asked Marla and Julie to contact the bank, but both refused. The Wells Fargo accounts were closed shortly before the new board was seated in 2023. Arizona law requires all financial documents to be available to residents for seven years.



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As of this date, the current board cannot reconcile the 2022 books because expenses can not be verified, and receipts are missing.

This report mentions this for transparency purposes, allowing owners to voice their opinions on how to proceed in reconciling the financial statements.

Mike stated he has created a rule in his email that goes into a folder named "Marla Mason," and he checks this folder once per month. Mike is legally under no obligation to respond to every email. Mike explained that if he had to pursue Ms. Mason legally to get the financial documents, he would have to ask the entire association to vote.

Mike continued to explain in the meeting that if he felt threatened by Ms. Mason on the South Point property, the police would be notified. Mike understands Ms. Mason's right to visit any residence or owners at South Point; however, if Ms. Mason is simply loitering on the property or near Mike's condo, personal property, or family, he will seek to have her arrested.

Mike discussed the possibility of having a forensic criminal audit completed on the finances since the Board was unable to account for all finances from the previous Board. Mike stated that when it comes down to doing the taxes and if we have money that is unaccounted for, this raises huge flags. Mike believes there might be an issue with these books, as it has been a challenge to get Ms. Mason and Julie to assist in getting these (financial records).

Mike addressed Julie in person during this meeting and asked if she would call Wells Fargo's 1-800 number to request statements that the Board is missing. Julie said she would contact Wells Fargo to request the documents the Board needs.

Cindy will email Julie which statements are needed and what receipts are missing.

Metro Tax is also not cooperating in giving the Board the necessary documents. Mike made it clear embezzlement, but the Board just needs these documents. Julie stated she understood.

Cindy stated that Gedi Prime will complete South Point's taxes this year.

Administrative

The board met regularly to review and revise the rules and regulations when necessary. Care was taken to ensure the rules were reasonable, necessary, and legally enforceable.

The Board reviewed all Rules and regulations, Bylaws, and CC&R to ensure we were in accordance with state law and to see what the documents contained. There was language that was not applicable and



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outdated. There are some issues; if we encounter any potential legal action, it might open us to some type of liability.

The board thought it appropriate to contact Mulcahey Law Firm to have the CC&Rs rewritten. Initially, they quoted \$3k to complete this, but as the board started seeing the cost of their legal fees, it would have been \$8-10k.

Currently, the Board is not moving forward with Mulcahey Law Firm rewriting the CC&Rs as it is not mandatory. There were rules inside the Rules and Regulations, and the Board did not believe they had any legal standing to enforce them, which could violate people's civil rights.

After the Board rewrote these rules, Mulcahey Law Firm reviewed them to ensure they were all legally enforceable and did not violate people's rights.

Future Financial Expenses

Lake Havasu City recently raised the water rates, which the board is currently discussing how to handle; however, the board has no control over the rate hike and can only decide how this increase will be handled by all owners.

Homeowners are encouraged to purchase tankless water heaters, as they could potentially save water. Last year's water/sewer bill was \$9,756; we anticipate \$20,544 this year. It is \$52.14 per unit monthly.

The electrical panels in Bldg 2 will need to be replaced within the next five years to avoid any safety issues. We have salvageable parts from replacing Building 4's panel and will begin replacing Building 2's panels soon. Building 1's panel was replaced within the last ten years and appears to function properly and safely.

Mike discussed the Building 4 panel issue that was recently replaced for \$17k and how parts were delayed due to manufacturers recovering from the COVID-19 pandemic.

Legal Counsel

The board sought legal advice from Mulcahey Law Firm, a reputable law firm specializing in HOA matters, for the following matters:

- An owner had filed a discrimination complaint through the State of Arizona against Ms. Mason due to Ms. Mason's alleged unfair treatment of the owner. Ms. Mason refused to cooperate with the current president when the board attempted to obtain information about the complaint, stating she was no longer the president and that the issue was the current president's responsibility.



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- Ms. Mason filed minutes with the County of Mohave, which did not appear to be the same minutes the Secretary of the South Point Board recorded. When Mike discussed this with Mulcahey Law Firm, it seemed like they did not want to take action as it would be a lot to look into and could be geared to the criminal side, which Mulcahey is only civil.
- The rules and regulations needed to be reviewed to ensure they were legally enforceable and did not violate anyone's rights.
- An owner refused to pay fines acquired after her residents repeatedly violated several rules and created a nuisance for other residents. The law firm generated letters that resulted in the successful payment of the fines and the legal fees.

This owner had residents who were causing an unpeaceful environment and was caught on video severely inebriated that one of the residents fell backward and hit his head on the pavement. We have to make sure that the liability that every owner at South Point is not open to being sued for someone else's conduct.

The owner was also in violation of having three people in a one bedroom unit. Also, one of the residents violently approached Doug when Doug knocked on the door to have them lower the noise. There was also a neighbor who was petrified and had to text/call Doug for assistance. The Fines and fees recovered from this owner covered the attorney fees.

Maintenance and Landscaping

Due to the amount of work required to maintain the complex in a safe, serviceable, and clean state, we employed Doug Denisty as the resident property manager. His duties are:

- General maintenance, inspection, and upkeep of the property grounds
- Maintain the pool and common area
- Contact, hire, and supervise outside vendors, such as the pool maintenance company, trash company, landscapers, etc.
- Scheduling, stocking, and maintaining of clubhouse
- Receive complaints and handle them in accordance with the board's decisions
- Notify the board of directors of any issues, concerns, or problems
- Act as a point of contact for owners and residents who may need assistance or have questions for the association or about the complex

Mike stated there hadn't been any complaints of any kind regarding Doug. South Point pays Doug \$550 per month for managing the property.



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Maintenance

Doug has been “on call” and assisted several residents with issues that would otherwise have caused costly service calls. He has also been the point of contact for all vendors and contractors and oversees their work.

The electrical panel for one of the buildings sustained serious damage due to age and sparking. There was an extended delay in obtaining the parts due to manufacturers trying to replace their stock from COVID-19 times. For safety reasons, the president authorized the repair immediately once it was determined the responsibility rested on the association and not an individual owner.

The roofs of all buildings were inspected and found to be in good condition. All satellite antenna dishes and the coax cables draping the outside of the buildings were removed.

Portions of the pool fence were replaced due to rotting or decay, and the pool tile was scoured and cleaned. The exterior clubhouse lights were replaced.

The roofs will eventually need maintenance, which will be an added expense that will come within the next few years.

Doug stated that in 2025, our pool will need to have a chair lift to accommodate people with disabilities.

Landscaping

The landscaping company hired by the association was found not to be properly performing its duties. On a few occasions, they were found to be working until their foreman left, then going around the corner of a building and taking naps. In addition to this, they broke irrigation lines and would not complete their duties.

When we attempted to obtain a replacement landscaping company, they wouldn’t work with us due to their experience with previous boards here at South Point.

Doug took it upon himself to take care of the landscaping in addition to his normal duties. Upon learning this, the board voted to pay Doug the same amount we were paying landscaping companies to do the same job.

New pool lounges were purchased to replace the broken lounges.

South Point pays Doug \$750 per month for landscaping.



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Punitive Issues

The current board's position regarding rule adherence is one of "spirit of the law" instead of "letter of the law." Only one instance occurred where an owner was notified of a rule violation and refused to take the appropriate action to correct the violations. As mentioned previously, this was handled through the lawyer.

All other violations were not life-threatening and were handled appropriately.

Mike stated that South Point is not an apartment complex. Mike believes the best practice in addressing issues is to speak to the owner/resident regarding the issue first rather than sending them a warning letter.

Transparency and Communication

It was communicated to the board at the beginning of the year that there was a question of transparency regarding finances and operations. To regain the trust of owners and set a new standard, the board took the following actions:

- We launched a website that allows owners to access the rules, bylaws, CC&Rs, insurance, and financial documents at any time.
- We sent frequent newsletters to the owners, updating them on the board's activities, property concerns, and large expenditures.
- We reviewed the association's documents and determined that documents from past years that supported certain decisions that had been voted on were missing.
- Created an online complaint system to alleviate frivolous complaints.

Mike tries to get the monthly newsletter posted to the South Point website, but sometimes, it can be delayed.

Budget

Treasurer Cindy Cross reviewed the budget with all attendees, who were provided a document with the following information:

2023 Expenses

Income was \$92,442

Expenses were \$85,803

Cash Reserves increased by \$6638

In 2022, we had \$45,650 in cash reserves; in 2023, that number increased to \$52,290.



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Sources of Income Explained:

Disclosure fees of \$1,600. When someone sells a unit, the board has to complete paperwork for that sale, and we get \$400. There were 4 sales in 2023, equalling the \$1600.

There are transfer fees of \$4800. When a unit is sold, the association receives an additional \$1200 per unit. There were 4 sales in 2023, equalling \$4800.

Legal Expenses

The legal expenses totaled \$2845. Of this amount, \$95 was for recording fees to Mohave County, and \$460 was for registration with the AZ Corporation Commission, which is required every time there is a change in President and/or Treasurer.

\$2,290 was paid to the Mulcahey law Firm, of which \$1,453 was paid back to the association through fines paid by the owner, who received legal letters, as mentioned previously in this report.

The remaining \$837 was for the CC&Rs, review of the complaint involving Marla Mason, review of the Rules and Regulations, and consultation questions.

Property Management

We spent \$4,125 in 2023.

We are paying Doug Denisty \$550 per month for property management services, which is \$6,600 annually. However, if you look at the accounting and tax preparation line in 2022, the prior Board paid \$5,147, and we reduced that amount to \$1,264, a savings of \$3,883. Doug now takes care of the clubhouse, saving \$1,200 per year. These savings went towards paying Doug.

Electrical

We had an unexpected electrical bill on building 4, which totaled \$17,775.

Utilities

Water and sewer for 2023 was \$9756. We anticipate this going up to approximately \$20,544 in 2024.

We have budgeted \$3000 in 2024 for propane. The propane heats the hot tub and pool for a couple of months each side of summer.

****HOA dues are not increasing at this time.***



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Bylaws

Joan stated no major changes had been made to the Bylaws; just some verbiage clarification and cleaning was needed. Joan discussed these changes.

Joan provided copies of the edits/changes that were made during this meeting. The Bylaws will be posted and uploaded to the South Point website.

All homeowners present during this meeting favor these amendments and changes to the bylaws.

These bylaws will be registered by the county and put online.

Questions From Owners

What was the difference between Doug's pay vs. hiring of various contractors?

Doug explained when he first came to South Point, there were a lot of snowbirds who volunteered their time and labor to accomplish various projects.

The president at the time, Caroline, asked him to keep an eye on the place for \$150 (during the off-season when snowbirds were gone). Doug did this for several years, then went up to \$200 for a few years,

Doug stated he requested a pay increase, but Ms. Mason stated no, and his contract was terminated.

They raised his pay once the new (current) board came on.

Cindy explained how Doug catches things early before bigger problems develop. For example, when Doug found a water leak in the irrigation lines, the water bill went down by \$300. Doug is getting paid the same as the previous landscaper.

South Point has never had an official property manager, and Doug now serves in that role. Doug receives \$750 per month for landscaping and \$550 per month for the property manager.

Do we need to vote on trespassing laws?

Mike explained that personal feelings influence decisions. However, Mike explained that Ms. Mason has rights and that he would be reasonable in determining whether or not she should be arrested if she is on the property. There is no vote needed for this.



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What months is the pool being heated?

Discussions were held about the weather and the pool's heating. It was decided that the pool would be heated in March, April, October, and November. The board only has 3k in the budget for propane.

Will the gym located in the clubhouse be reopened?

Mike stated that we need to see the impact of the air conditioning/heating bill. We discussed having a sign-in sheet. The board had previously agreed to a two-month gym trial period. Mike stated he would let homeowners know later today when/if the gym can be opened again. There is only one treadmill in the gym at this time.

Other topics discussed

Cycle Therapy Bike Racks

Doreen stated that the new homeowners stated their son works at Cycle Therapy. They offered to pay for two bike racks. Cycle Therapy will pay for them and set them up wherever the Board designates them. Discussion was held regarding Cycle Therapy's advertisements on bike lock signs. The board will discuss this further before a final decision is made.

Additional Revenue

We discussed how the association can generate additional revenue to offset future large expenses. One suggestion was to rent out the clubhouse for community events.

Other Expenses

Doug reported that the pool cover will need to be replaced next year.

The board is also looking into security cameras for the pool area and individual keypad codes for the clubhouse to track who accessed it. Cameras will answer questions about when/if something occurs, and we need to be protected. Cameras cannot be aimed specifically at a person's property. The board will discuss who can access camera footage once it is installed.

ALLO Fiber will hopefully be up and running within the year. The board isn't sure if they will still provide clubhouse free internet, as they had initially informed the Board at a former Board meeting.

Board Positions/New Board Members

Acknowledge the board's dedication to making things happen

- Doreen Denisty - Knowledge of past practice and insight into the history of the complex and association.



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- Joan James - Diligence of research and reviewing CC&Rs, Rules and Regulations, etc.
- Tina Pate - Doing a great job with meeting minutes
- Tim Troyer - For being a “voice of reason” and for calm, forward-thinking,
- Sally Pate - Thoroughness of getting things completed
- Cindy Cross - Diligence and organizational skills when it comes to the books

Tina-Secretary-resigning/term up

Sally-Director -resigning/term up

Joan -Director -Term up and is willing to stay on the board if a position is open.

All homeowners favor Valerie Bars, Steve Cross, and Joan James joining or remaining on the board.

Conclusion

The president closed the meeting at 1:24 pm.

These minutes were compiled by Tina Pate and reviewed by Mike Bires and Cindy Cross. They were distributed to all homeowners via email (newsletter) and will be available on the association’s website on 04/07/2024.

If any errors are found after this document is distributed, a new document will be created, and the revision number and date will be placed under this section.

This is the first version, and no revisions at this time.

Mike Bires
2024/2025 South Point HOA President