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May 15, 2023

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Dear Beth Mulcahy and Shawn Nemmers,

I am writing to the both of you again to inform you about violations by the board of directors and property manager at The Villages at Rio Paseo.

NOTICE AND AGENDA'S

I learned that I was no longer receiving email notifications for the Association's meetings. A member asked me if I knew about the pool furniture was being replaced. I replied back to the member that the issue needs to be placed on the next meetings agenda before the board could do anything. This member told me the meeting was on Tuesday, May 9th, 2023. Then she told me that the board voted to replace the pool furniture and she wanted to know what did the board vote on, what was the cost? There was no notice on the agenda that the board was reviewing estimates and would be voting, just like the 2007 roofs. The President and property manager isn't informing or providing information that will be discussed on the agenda nor when the board will be voting on estimates, ARS 33-1248(F). *"that notices and agendas be provided for those meetings that contain the information that is reasonably necessary to inform the unit owners of the matters to be discussed"*. I never received a email about the May's meeting when I have been receiving previous email notifications for the Association's meetings. I was deliberately removed from Associa's system to receive email notifications to review the agenda and any information pertaining to the meeting through TownSq. Were there other members excluded or was I single out? ARS 33-1248, Bylaws ARTICLE 2; Section 2.3.

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CAPITAL IMPROVEMENTS

A member was unable to attend the meeting and wanted to know what did the board spend the Association's money on? If the members knew that the board would be reviewing estimates the members should have been given the estimate to review with the notice or agenda. The president and property manager failed to inform the members about the pool furniture estimates and would be voted on during the meeting. Nor did they inform members on the amount that could be spent listed on the 2021 Reserve Study for the pool furniture to be replaced in 2022. The Association replaced the pool furniture in 2018 at the cost of \$10,598.50. This furniture only lasted 5 years, I hope this board did their research and purchased commercial grade Pool furniture.

The Reserve Study showed a current average cost of \$13,000 and the replacement of the metal trash can, \$1,200. I informed the president that the plastic liner for the metal trash can was falling apart in 2022 but nothing was done. I found out that the furniture has been already purchased and it has to be assembled by who? Where is the estimate for members to view if they didn't attend the meeting, what was the cost, what is the warranty and what is being purchased? No information was sent to members to review on what the board voted to purchased. The member told me that there was some information about the pool furniture was on Facebook where **all members do not** use or follow. There wasn't any information about the cost, how many estimates did the board receive, what was purchased; loungers, chairs, tables or what type of furniture was purchased and the warranty. The members couldn't review none of this information or the budget for the pool furniture. Just like the 2007 roofs.

The president says she's all about transparency, but the members are being told what they can, and cannot have. This information should been on Associa's TownSq before the meeting and sent with the agenda, ARS 33-1248(F)

I'm still waiting for the announcement for who was elected to the board. And who is the new property manager?

HVAC

When I was on the board, the HVAC system for the fitness center needed to be replaced in 2021 but the president made the solo decision to replace parts on a 15+ year old HVAC system when it was on the Reserve budget to be replaced in 2021. Now because of her solo decision, the association Reserve fund of \$6,000 for a new system will not cover the inflation cost for a new one today at the estimated cost of \$12,000 when the board received estimates due to the system drip line overflowed the pan and spilled into the attic installation, ceiling and on equipment. This was the second time that this has happened to the HVAC system where the president made solo decisions. Also, the president did not replace the damaged air filter on the system for over a year. No one was maintaining the HVAC system. And a window was broken which couldn't close for many years. A new energy efficient system would save the association in electrical costs. And the President has failed to have a board approved overflow alarm placed on the HVAC drip pan. I believe the water will be flowing again around summer time, which

costed the association over \$4000 in damages that needed to be repaired for a \$300 device. And new attic insulation hasn't been installed.

GATE OPERATORS

When I was on the board, the President also made the solo decision to repair 15+ year old gate operators when the 2021 Reserve Study showed the (4) gate operators to be replaced in 2021. The Association has paid over \$14,000 in repairs on the gate operators since 2017 when new equipment with a 5 year warranty and new technology costed \$5,000 for each device. Members were mad when the gate was breaking down every other week without being repaired for weeks. Members bought into this community because of the gate, Safety for their kids. And when AAM was out of the picture the gate wasn't breaking down every other week. Just like the irrigation system were the Association has spent over \$17,000 in repairs since 2017, the owners board only voted on one estimate for a new timer clock in 2021.

Wasn't the builder responsible for the maintenance, repair and replacement of any portion of the common elements? On the Reverse Budget Comparison Statements, 2017-2020 when the builder had control of the board, thousands and thousands of dollars was spent from the Association Reserves when the builder is responsible for these costs. ARS 33-1247(C).

FIRE RISER

Fire riser systems replacement for the 2007 buildings still hasn't been replaced and are listed on the Reserve Study to be replaced in 2025. During the 2023 budget, Chessa boosted that it would save the association \$10,000 a year in phone bills if the Association changed out the old fire riser systems, so why hasn't the board replaced these fire riser boards? The board replaced perfectly good roofs when the 2007 roof were shown on the Reserve Study to be replaced in 2032 and 2037.

POOL DECK

Cracks in the pool deck. A member pointed out during a meeting that the crack around the pool deck is due to a underground pipe leaking. She experienced this in her home in Tucson. I checked the water bills and noticed there was considerable difference from year and months on water usage for the Pool and Spa before and during Covid when the pool was locked down. More water was being used during Covid. The builder tried to fill in the cracks but the cracks continued to expand. This is proof that the cause has not been repaired. This member brought up this issues to the president in 2022 and the board during numerous general meetings, but the damage continues. Evidence that shows there is a significant problem. What happened to this members pool resulted in the pool uplifting out of the ground. On the 2021 Reserve Study shows that the PoolDeck-Resurface, \$15,000 and PoolDeck-Seal/Repair, \$5,000 to be addressed in 2022.

But I'm sure replacing all of the 2007 buildings roofs were in immediate need of replacement, 2032, 2037, 9-14 years before the noted life expectancy in the 2021 Reserve Study. Where are the 5 bids? And I'll spare you the information about other

damages that isn't being addressed like termites. The 2018-2020 buildings are under a five-year warranty and the board is going to pay a different termite company to have the new buildings treated. The President loves to spend the Association's money without doing any research.

2018-2020 EXTERIOR BUILDING PAINTING

FYI these buildings (39): 215,000 Sq Ft, according to the reserve study these buildings are to be painted in 2024 at the estimated cost of \$290,000. Isn't the Board referencing the reserve study?

2007 EXTERIOR BUILDING PAINTING

FYI these buildings (9): 49,500 Sq Ft, according to the reserve study these buildings are to be painted in 2024 at the estimated cost of \$67,500. Isn't the Board referencing the reserve study?

POOL HOUSE EXTERIOR BUILDING PAINTING

FYI these building: 5,100 Sq Ft, according to the reserve study this building are to be painted in 2024 at the estimated cost of \$5,500. Isn't the Board referencing the reserve study?

There are items listed in the Reserve Study that funds are not been allocated. Looks like I was the only board member that was aware of the need to add additional funds to the Reserve Study during the 2023 budget meeting which you attended.

WINDOW TINTING

I was told that the board voted to do window tinting in the fitness center this expense isn't listed in the reserves or annual budgets for 2023. As the both of you know this expense is considered a capital improvement and would need a vote of the members because the expense isn't listed on the Reserve Budget or Annual Budget. Where is the money coming from? And with a shortfall of \$100,000 in the Reserves for the premature replacement of the 2007 roofs, this spending will result in the board bankrupting the association. The board is in violation of spending money that isn't budgeted or collected through a Special assessment vote for a Capital improvement. CC&RS, ARTICLE VIII; Section 8.5, 8.13.3.

PIGEON BARRIERS

This reminds me in 2021 when the board voted on a vendor to do pigeon barriers and roof cleaning at a cost of over \$30,000 which wasn't budgeted in the annual budget nor the reserve budget. The board didn't receive a vote from the members for this Capital improvement expense or a special assessment. Instead the Reserve fund was depleted without the board informing the members that the expense will effect the Reserve funds and timeline for maintenance issues. I was outraged that the board spent over \$30,000 without the vote of the members and where I found over \$2500 was embezzled from the property manager or vendor. The Association had a five year warranty with this contractor, and after requesting the president to call, the president wouldn't call the

vendor to do warranty work when some of the barricades fell from the roofs in 2022. This allowed the pigeons to nest in the cubbies causing additional pigeon's to build nests and droppings outside members units windows. Instead the president was looking to apply a different deterrent which was estimated by the same vendor in 2021 for \$5000 but somehow is now over \$12,000 for the same service this year. And I believe the board approved this \$12,000 service that isn't in the budget.

RESERVE FUNDS

The board is spending money that the Association doesn't have, but Chessa said the Reserve Funds could be used for non-budgeted maintenance issues. So when the Association doesn't have any money left to do real maintenance issues listed on the Reserve Study the Association wouldn't have the funds to do the maintenance. It is the responsibility of the board to maintain the reserve fund, according to the Reserve study. Did the board review the 2021 Reserves Study where the 2007 roofs didn't need to be replaced for 9 to 15 years, 2032 and 2037.

Most likely Monique's roof leak was caused by the repair done in 2021 but the members will never know because the President, Monique chose not to follow up with the contractor's 2 year warranty. A \$5000 or less roof repair ended up costing the association over \$230,000 when the roofs didn't need to be replaced until 2032 and 2037. The board didn't inform the members on the Agenda that the board would be voting on \$230,000 roofing bids, nor were the members giving these bids in advance to review. And there wasn't any evidence shown to the members that ALL 2007 roofs were compromised. There are three members that knows there was an estimate that was \$50,000 less and Monique said "what difference does it make, it's only \$50,000". Then Monique refused to include this bid to be voted on by the board because it would be less than the general contractor's bid that was associated with Monique's Adventure Club which was awarded the contract.

PDA MATERIAL INFORMATION RELATED TO THE FILING

After reviewing the May's agenda I see that the members still aren't being informed about the PDA in writing. ARS 33-2002 Homeowners' association dwelling actions; conditions, material information related to the filing needs to be disclosed in writing to the unit owners. "A, 1. The board of directors has provided full disclosure in **writing** to all members of the association of all material information relating to the filing of the action.", ARS 33-2002. The majority of the members don't attend the general meetings, including me because I thought this information would be disclosed in writing, but it still hasn't been disclosed. Because I was told by members that the PAD information is on Facebook, privilege legal information on a site were Monique allows non members access. I know this to be true, because a members niece, that doesn't even live within the Association was given access to the Associations Facebook site were the PDA information is located for anyone to see, Monique could give access to a person affiliated with Maracay. I don't believe I need to inform you of the liability and breach of Monique's fiduciary duty.

FACEBOOK

I was told by other members that privilege legal Association information is being placed on Facebook were the President, Monique allows non members to review. The president is allowing advertisers on the site but won't allow members to advertise their businesses. Who is profiting off Facebook income? The person that has control of the site which is President, Monique or which ever name she has decided to use to mislead members. Now you know why all Association's information goes through Facebook so that Monique can profit off the advertisement. She has placed the Association in a potential liability situation. Members assuming that the companies that are advertising are approved by the Association. And I believe Monique started the Association's Facebook site when she was a renter. I became aware of the Facebook site by other board members during 2021 general meetings. I asked the board to do a cease and assist letter since no one knew who the person was behind the site and the person was using the Association's name without the Association's approval. The board never approved this site to distribute Association's privileged information for non members to access. My opinion was dismissed by all other board members. ARS 33-1243(C).

CONCLUSION

You now have more information why I wasn't being informed about upcoming meetings or announcements. The Board is spending money that the Association doesn't have nor was budgeted in the Reserve or Annual budgets. And the Board isn't addressing infrastructure maintenance issues which needs to be addressed immediately. The members are meeting and soon a decision will be made to stop the bleeding but at what extent will the members act. And the president called me incompetent.

Sincerely yours,

Michele Beauchamp