

Las Colinas

Condominium Owners' Association, Inc.

1600 N. Wilmot Road

Tucson, AZ 85712

520 390-2310

www.lascolinascondos.net

Las Colinas Condominium Association Special Insurance Board Meeting

August 27, 2024

7:30 p.m.

Present: Katherine Trimm, Vice President & Managing Agent (KT)
Andra Allen, Secretary/Treasurer (AA)
Andrea Schwimmer (AS)
Rebecca Williams (RW)

Absent: John Saputo, President (JS)

I. Call to Order & Roll Call

A Special Insurance Board Meeting of the Las Colinas Condominium Owner's Association was called to order at 7:30 p.m. by Vice President, Katherine Trimm, in the Clubhouse. A quorum was present. The roll was read. President, John Saputo is working tonight and was not available to attend, but he sends his full support on this effort.

II. Insurance Report

Katherine Trimm reported that we received an extension from Farmers for our blanket hazard policy that expires Saturday, August 31st. This meeting is called to approve the new coverage we were able to obtain in time to be bound effective September 1st.

Two months ago when we received our Notice of Non-Renewal from Farmers, for being over 30 years old, we did not know whether we would be able to find coverage – or if we could, at what cost.

Our Farmers agent, plus four Insurance brokers shopped for coverage for us. Only one, Berwick-Himes, was able to obtain any quotes. (See contract attached.) As feared, it is unfortunately at an increased price, necessitating a 10% dues increase, as explained in the Newsletter sent out last week. (See table attached.)

Finding new coverage was very time consuming, and challenging. Fortunately we had the things Insurance companies look for in taking risk: a clean loss record, a long history of spending money on the things that count, which are documented in our over a decade of posted Corporate Minutes, along with strong financials and Board stability. However, an underwriting guideline setting a hard line at 30 years old requires personal relationships to ask for an exception. And we got one – based on the factors identified above. Only Colleen at Berwick-Himes was able to make this happen for us.

As a Community we have focused on the things that matter to Insurance and Mortgage Underwriters. Because these are the right things to do. They respect our commitment to being here in 30 years. This is also the reward for thinking and working long-term – we can still get mortgages as Las Colinas.

III. New Business

A.) Approve the bid from Berwick-Himes for General Liability & D&O of \$174,691.50, and finance charges of \$9,018.59.

B.) Approve a 10% dues increase, effective October 1st.

C.) A motion to authorize Katherine Trimm to execute the required paperwork to get the approved coverage bound.

IV. Set Next Meeting

Sept. 10th, Oct. 8th, Nov. 5th

Annual Meeting – 10:00 a.m., Saturday January 18, 2025

V. Homeowner Input (two minute limit)

VI. Adjourn

Voter Registration Will Be Available Following the Meeting

A CASH PRICE (TOTAL PREMIUMS)	\$174,691.50	AGENT (Name & Place of business) BERWICK HIMES INSURANCE SERVICES	INSURED (Name & Residence or business) The Las Colinas Condo Assn Inc. 1600 N Wilmot Rd
B CASH DOWN PAYMENT	\$26,203.73	3561 E SUNRISE DR STE 135	Tucson, AZ 85712-4456 (520)744-0568 katherine.trimm@cox.net
C PRINCIPAL BALANCE (A MINUS B)	\$148,487.77	TUCSON,AZ 85718 (520)790-7777 FAX:	

Commercial

Account #: _____

LOAN DISCLOSURE
 Additional Policies Scheduled on Page 3

Quote Number: 27275687

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate.	FINANCE CHARGE The dollar amount the credit will cost you.	Amount Financed The amount of credit provided to you or on your behalf.	Total Of Payments The amount you will have paid after you have made all payments as scheduled
11.950%	\$9,018.59	\$148,487.77	\$157,506.36

YOUR PAYMENT SCHEDULE WILL BE

Number Of Payments	Amount Of Payments	When Payments Are Due	Beginning:
11	\$14,318.76	Beginning:	MONTHLY 10/01/2024

YOU HAVE THE RIGHT TO RECEIVE AN ITEMIZATION OF THE AMOUNT FINANCED:
 I WANT AN ITEMIZATION (DO NOT CHECK IF YOU DO NOT WANT AN ITEMIZATION)

Security: Refer to paragraph 1 below for a description of the collateral assigned to Lender to secure this loan.

Late Charges: A late charge will be imposed on any installment in default 5 days or more. This late charge will be 5.00% of the installment due.

Prepayment: If you pay your account off early, you may be entitled to a refund of a portion of the finance charge computed by the actuarial method on a 360 day basis or as otherwise allowed by law. The finance charge includes a predetermined interest rate plus a non-refundable service/origination fee of \$10.00. See the terms below and on the next page for additional information about nonpayment, default and penalties.

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY	SCHEDULE OF POLICIES INSURANCE COMPANY AND GENERAL AGENT	COVERAGE	MINIMUM EARNED PERCENT	POL TERM	PREMIUM
PENDING	09/01/2024	GREAT AMERICAN RISK SOLUTIONS SURPL CRC	PROPERTY	0.000%	12	152,773.00 Fee: 1,750.00 Tax: 4,944.74
Broker Fee:						\$0.00
TOTAL:						\$174,691.50

The undersigned insured directs IPFS Corporation (herein, "Lender") to pay the premiums on the policies described on the Schedule of Policies. In consideration of such premium payments, subject to the provisions set forth herein, the insured agrees to pay Lender at the branch office address shown above, or as otherwise directed by Lender, the amount stated as Total of Payments in accordance with the Payment Schedule, in each case as shown in the above Loan Disclosure. The named insured(s), on a joint and several basis if more than one, hereby agree to the following provisions set forth on pages 1 and 2 of this Agreement: 1.

SECURITY: To secure payment of all amounts due under this Agreement, insured assigns Lender a security interest in all right, title and interest to the scheduled policies, including (but only to the extent permitted by applicable law): (a) all money that is or may be due insured because of a loss under any such policy that reduces the unearned premiums (subject to the interest of any applicable mortgagee or loss payee), (b) any unearned premium under each such policy, (c) dividends which may become due insured in connection with any such policy and (d) interests arising under a state guarantee fund. 2. **POWER OF ATTORNEY:**

Insured irrevocably appoints its Lender attorney-in-fact with full power of substitution and full authority upon default to cancel all policies above identified, receive all sums assigned to Lender or in which it has granted Lender a security interest and to execute and deliver on behalf of the insured documents, instruments, forms and notices relating to the listed insurance policies in furtherance of this Agreement. 3. **POLICY EFFECTIVE DATES:** The finance charge begins to accrue as of the earliest policy effective date and will be computed by the actuarial method on a 360 day basis.

NOTICE: A. Do not sign this agreement before you read it or if it contains any blank space. B. You are entitled to a completely filled in copy of this agreement. C. Under the law, you have the right to pay in advance the full amount due and under certain conditions to obtain a partial refund of the finance charge. D. Keep your copy of this agreement to protect your legal rights. E. **THE BORROWER(S) MAY REQUEST THAT TRUTH IN LENDING DISCLOSURES BE PROVIDED IN THE SPANISH LANGUAGE BEFORE SIGNING ANY LOAN DOCUMENTS (LOS PRESTATARIOS PODRIAN SOLICITAR UNA COPIA EN ESPANOL LAS DECLARACIONES SOBRE LA HONESTIDAD EN LOS PRESTAMOS ANTES DE FIRMAR CUALQUIER DOCUMENTO DE PRESTAMOS).**

The undersigned hereby warrants and agrees to Agent's Representations set forth herein.

Signature of Insured or Authorized Agent

DATE

Signature of Agent

DATE

Insured and Lender further agree that: **4. AGREEMENT EFFECTIVE DATE:** This Agreement shall be effective when written acceptance is mailed to the insured by Lender. **5. DEFAULT AND DELINQUENT PAYMENTS:** If any of the following happens insured will be in default: (a) a payment is not made when it is due, (b) a proceeding in bankruptcy, receivership, insolvency or similar proceeding is instituted by or against insured, or (c) insured fails to keep any promise the insured makes in this Agreement; provided, however, that, to the extent required by applicable law, insured may be held to be in default only upon the occurrence of an event described in clause (a) above. The acceptance by Lender of one or more late payments from the insured shall not estop Lender or be a waiver of the rights of Lender to exercise all of its rights hereunder or under applicable law in the event of any subsequent late payment. **6. CANCELLATION:** Lender may cancel the scheduled policies after providing at least 10 days notice of its intent to cancel or any other required statutory notice if the insured does not pay any installment according to the terms of this Agreement or transfers any of the scheduled policies to a third party and the unpaid balance due to Lender shall be immediately due and payable by the insured. Lender at its option may enforce payment of this debt without recourse to the security given to Lender. **7. CANCELLATION CHARGES:** If Lender cancels any insurance policy in accordance with the terms of this Agreement and applicable law, then the insured shall pay Lender a cancellation charge equal to \$15.00 or the maximum amount permitted by law. If cancellation occurs, the insured agrees to pay a finance charge on the outstanding indebtedness at the maximum rate authorized by applicable state law in effect on the date of cancellation until the outstanding indebtedness is paid in full or until such other date as required by law. **8. INSUFFICIENT FUNDS (NSF) CHARGES:** If insured's check or electronic funding is dishonored for any reason, the insured will pay to Lender a fee of \$10.00 or the maximum amount permitted by law. **9. MONEY RECEIVED AFTER CANCELLATION:** Any payments made to Lender after Lender's Notice of Cancellation of the insurance policy(ies) has been mailed may be credited to the insured's account without any obligation on the part of Lender to request reinstatement of any policy. Any money Lender receives from an insurance company shall be credited to the balance due Lender with any surplus refunded to whomever is entitled to the money. In the event that Lender does request a reinstatement of the policy(ies) on behalf of the insured, such a request does not guarantee that coverage under the policy(ies) will be reinstated or continued. Only the insurance company has authority to reinstate the policy(ies). The insured agrees that Lender has no liability to the insured if the policy(ies) is not reinstated and Lender may charge a reinstatement fee where permitted up to the maximum amount allowed by law. **10. ASSIGNMENT:** The insured agrees not to assign this Agreement or any policy listed hereon or any interest therein (except for the interest of mortgagees or loss payees), without the written consent of Lender, and that Lender may sell, transfer and assign its rights hereunder or under any policy without the consent of the insured, and that all agreements made by the insured hereunder and all rights and benefits conferred upon Lender shall inure to the benefit of Lender's successors and assigns (and any assignees thereof). **11. INSURANCE AGENT OR BROKER:** The insured agrees that the insurance agent or broker soliciting the policies or through whom the policies were issued is not the agent of Lender; and the agent or broker named on the front of this Agreement is neither authorized by Lender to receive installment payments under this Agreement nor to make representations, orally or in writing, to the insured on Lender's behalf (except to the extent expressly required by applicable law). As and where permissible by law, Lender may compensate your agent/broker for assisting in arranging the financing of your insurance premiums. If you have any questions about this compensation you should contact your agent/broker. **12. FINANCING NOT A CONDITION:** The law does not require a person to enter into a premium finance agreement as a condition of the purchase of insurance. **13. COLLECTION COSTS:** Insured agrees to pay attorney fees and other collection costs to Lender to the extent permitted by law if this Agreement is referred to an attorney or collection agency who is not a salaried employee of Lender, to collect any money insured owes under this Agreement. **14. LIMITATION OF LIABILITY:** The insured agrees that Lender's liability to the insured, any other person or entity for breach of any of the terms of this Agreement for the wrongful or improper exercise of any of its powers under this Agreement shall be limited to the amount of the principal balance outstanding, except in the event of Lender's gross negligence or willful misconduct. Insured recognizes and agrees that Lender is a lender only and not an insurance company and that in no event does Lender assume any liability as an insurer hereunder or otherwise. **15. CLASSIFICATION AND FORMATION OF AGREEMENT:** This Agreement is and will be a general intangible and not an instrument (as those terms are used in the Uniform Commercial Code) for all purposes. Any electronic signature or electronic record may be used in the formation of this Agreement, and the signatures of the insured and agent and the record of this Agreement may be in electronic form (as those terms are used in the Uniform Electronic Transactions Act). A photocopy, a facsimile or other paper or electronic record of this Agreement shall have the same legal effect as a manually signed copy. **16. REPRESENTATIONS AND WARRANTIES:** The insured represents that (a) the insured is not insolvent or presently the subject of any insolvency proceeding (or if the insured is a debtor of bankruptcy, the bankruptcy court has authorized this transaction), (b) if the insured is not an individual, that the signatory is authorized to sign this Agreement on behalf of the insured, (c) all parties responsible for payment of the premium are named and have signed this Agreement, and (d) there is no term or provision in any of the scheduled policies that would require Lender to notify or get the consent of any third party to effect cancellation of any such policy. **17. ADDITIONAL PREMIUM FINANCING:** Insured authorizes Lender to make additional advances under this premium finance agreement at the request of either the Insured or the Insured's agent with the Insured's express authorization, and subject to the approval of Lender, for any additional premium on any policy listed in the Schedule of Policies due to changes in the insurable risk. If Lender consents to the request for an additional advance, Lender will send Insured a revised payment amount ("Revised Payment Amount"). Insured agrees to pay the Revised Payment Amount, which may include additional finance charges on the newly advanced amount, and acknowledges that Lender will maintain its security interest in the Policy with full authority to cancel all policies and receive all unearned premium if Insured fails to pay the Revised Payment Amount. **18. PRIVACY:** Our privacy policy may be found at <https://ipfs.com/Privacy>. **19. ENTIRE DOCUMENT / GOVERNING LAW:** This document is the entire Agreement between Lender and the insured and can only be changed in writing and signed by both parties except that the insured authorizes Lender to insert or correct on this Agreement, if omitted or incorrect, the insurer's name and the policy number(s). Lender is also authorized to correct patent errors and omissions in this Agreement. In the event that any provision of this Agreement is found to be illegal or unenforceable, it shall be deemed severed from the remaining provisions, which shall remain in full force and effect. The laws of the State of Arizona will govern this Agreement. **20. AUTHORIZATION:** The insurance company(ies) and their agents, any intermediaries and the agent / broker named in this Agreement and their successors and assigns are hereby authorized and directed by insured to provide Lender with full and complete information regarding all financed insurance policy(ies), including without limitation the status and calculation of unearned premiums, and Lender is authorized and directed to provide such parties with full and complete information and documentation regarding the financing of such insurance policy(ies), including a copy of this Agreement and any related notices. **21. WAIVER OF SOVERIGN IMMUNITY:** The insured expressly waives any sovereign immunity available to the insured, and agrees to be subject to the laws as set forth in this Agreement (and the jurisdiction of federal and/or state courts) for all matters relating to the collection and enforcement of amounts owed under this Agreement and the security interest in the scheduled policies granted hereby.

AGENT/BROKER REPRESENTATIONS

The agent/broker executing this, and any future, agreements represents, warrants and agrees: (1) installment payments totaling \$0.00 and all applicable down payment(s) have been received from the insured in immediately available funds, (2) the insured has received a copy of this Agreement; if the agent/broker has signed this Agreement on the insured's behalf, the insured has expressly authorized the agent/broker to sign this Agreement on its behalf or, if the insured has signed, to the best of the undersigned's knowledge and belief such signature is genuine, (3) the policies are in full force and effect and the information in the Schedule of Policies including the premium amounts is correct, (4) no direct company bill, audit, or reporting form policies or policies subject to retrospective rating or to minimum earned premium are included, except as indicated, and the deposit of provisional premiums is not less than anticipated premiums to be earned for the full term of the policies, (5) the policies can be cancelled by the insured or Lender (or its successors and assigns) on 10 days notice and the unearned premiums will be computed on the standard short rate or pro rata table except as indicated, (6) there are no bankruptcy, receivership, or insolvency proceedings affecting the insured, (7) to hold Lender, its successors and assigns harmless against any loss or expense (including attorney fees) resulting from these representations or from errors, omissions or inaccuracies of agent/broker in preparing this Agreement, (8) to pay the down payment and any funding amounts received from Lender under this Agreement to the insurance company or general agent (less any commissions where applicable), (9) to hold in trust for Lender or its assigns any payments made or credited to the insured through or to agent/broker directly or indirectly, actually or constructively by the insurance companies and to pay the monies, as well as the unearned commissions to Lender or its assigns upon demand to satisfy the outstanding indebtedness of the insured, (10) all material information concerning the insured and the financed policies necessary for Lender to cancel such policies and receive the unearned premium has been disclosed to Lender, (11) no term or provision of any financed policy requires Lender to notify or get the consent of any third party to effect cancellation of such policy, and (12) to promptly notify Lender in writing if any information on this Agreement becomes inaccurate.

AGENT

(Name & Place of business)
BERWICK HIMES INSURANCE SERVICES

3561 E SUNRISE DR STE 135

TUCSON, AZ 85718
(520)790-7777 FAX:

INSURED

(Name & Residence or business)
The Las Colinas Condo Assn Inc.
1800 N Wilmot Rd

Tucson, AZ 85712-4456
(520)744-0568
katherine.trimm@cox.net

Account #: _____

**SCHEDULE OF POLICIES
(continued)**

Quote Number: 27275687

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY	INSURANCE COMPANY AND GENERAL AGENT	COVERAGE	MINIMUM EARNED PERCENT	POL TERM	PREMIUM
PENDING	09/01/2024	WESTERN WORLD INSURANCE CO BURNS & WILCOX	GENERAL LIABILITY	0.000%	12	9,895.00 Fee: 660.00 Tax: 337.76
PENDING	09/01/2024	ACE FIRE UNDERWRITERS INSURANCE CO ABA INSURANCE SERVICES	DIRECTORS & OFFICERS	0.000%	12	4,331.00

Broker Fee: \$0.00

TOTAL: \$174,691.50

las Colinas

Condominium Owners' Association

1600 N. Wilmot
Tucson, AZ 85712
520-390-2310

2024 – 10% Dues Increase

<u>2007 Dues</u>	<u>2024 Dues</u>	<u>2024 Oct Dues</u>
Studio	\$164.71	\$181.81
1 bdr/1bath	\$221.48	\$243.63
1 bdr/1 bath (larger)	\$222.19	\$244.41
1 bdr/1 ½ bath (split)	\$263.54	\$289.90
2 bdr/1 ½ bath	\$285.96	\$314.56
2 bdr/2bath (small)	\$330.13	\$363.14
2 bdr/2bath (medium)	\$349.06	\$383.97
2 bdr/2 bath (large)	\$365.16	\$401.68
3 bdr/2 bath	\$393.52	\$432.87

The new amount will be effective October 1, 2024. For those of you who have washer/driers, add an additional \$10.00 per month. Parking & storage remain \$25.00.

Las Colinas

Condominium Owners' Association

1600 N. Wilmot

Tucson, AZ 85712

520-390-2310

website: lascolinascondos.net

We Got Insurance!

1.) Summary:

We were able to find coverage, and will be able to get bound by the deadline of August 31, 2024. Whew! The policies and coverages meet the requirements of the mortgage lending industry. In our environment, Insurance is really all about maintaining the ability to get, and keep, mortgages.

The new deductible is \$50,000.00.

The cost of the new policy is \$184,000.00 including finance charges. We have to put 15% down, \$26,000.00, and we will have an monthly payment of \$14,300.00.

We can cover the increased cost with a 10% dues increase. This is an average increase of \$30.00 per month. **Which is a lot cheaper than forced coverage for all who have mortgages.** However, this increase will need to start effective October 1, 2024. The CC&Rs have a provision for a revision to the dues payment for unexpected increases, and they gave insurance as an example.

There will be a **Special Board Meeting for Insurance, Tuesday, August 27th at 7:30 p.m. in the Clubhouse.** The agenda will be to approve the quote for coverage, authorize the signing of the contract, and approve the 10% dues increase. The Board has a duty to obtain insurance coverage and collect the funds to pay for it. The Notices will be mailed August 28th to provide the 30-day notice to start October 1, 2024.

2.) Owner Actions:

Increase your loss assessment on your Condo Owner's policy to \$50,000.00 (This covers the deductible if you are the cause of a loss.) So far, condo owners policies have not been affected at Farmers, or any of the other insurance companies.

As of September 1st, Colleen at Berwick will be handling the proof of coverage letters from your mortgage lenders. Email the request to: ctalsma@berwickhimes or call her at 520-790-7777.

3.) Background

Last year we were hit with a 50% increase in our insurance premium, based on an increase in our valuation to 35 million. After 24 years, and a clean loss-record, Farmers decided to not renew us, or any 'commercial' building over 30 years old. (At over 50 years old, your Association falls in this category. Along with most churches, apartments, and office buildings in Tucson.) The 30-day notice of non-renewal hit the end of June. Our agent arranged for an extension to September 1st, while we shopped for new coverage.

All of the major players have new underwriting guidelines – nationwide – that are a firm NO. NO consideration of any commercial property over 20 to 30 years old, or worth more than 25 million dollars. Just **NO**. Our age and our value can't be "fixed". We were advised that we might **NOT** even be able to get coverage. Further, if we did get coverage, it could be \$300,000.00. That is twice what we are paying now, and would be an increase of an average of almost \$60.00 per owner, per month.

Suddenly, we had a very serious challenge on our hands. This is just a whiplash situation that has thrown the entire market into chaos overnight. Our agent used his underwriting contacts to ask for an exemption, or a longer renewal. We used our contacts on the Farmers legal side to ask the same. A hard **NO**.

In parallel our Farmers agent was shopping us with the other lines he represents. He also suggested that we contact the independent broker he works with, Berwick-Himes, along with the other insurance brokers that handle this market. Which we did. We had four brokers shopping our coverage, including Marsh & McLennan and Crest. We got many, many more **NOs**. Our brokers were so thorough that many insurance companies said **NO**, multiple times!

This became a full-time job by the way. There were many 20 page plus applications for us to complete, along with supporting spreadsheets. (This is no 'online 60 second' quote.) Thankfully, we have the experience and expertise to know the answers to these detailed questions. Moreover, our website provides all of the legal and financial information that insurance companies need for their evaluation. Our Farmers agent, Jeff Jones, generously shared all the information he has amassed over the years, making our case for the best possible rates.

For six long weeks we answered questions, filled out forms, followed leads, used our contacts. But for six long weeks – we only heard only, **NO**.

We offered to increase our deductible. The highest deductible available is \$50,000.00. We chose that, an increase from the \$25,000.00 we have now. The coverages are dictated by the mortgage industry, so no opportunities there for savings.

Insurance is really all about being able to get mortgages on units at Las Colinas. And once you have a mortgage, to maintain your contractual obligation to the mortgage holder to provide blanket hazard insurance coverage – as evidenced by those scary letters your mortgage company sends you demanding proof of insurance. This is why we are so concerned with being successful in getting replacement coverage. About 80% of the owners here have mortgages, and about 90% of the new buyers are purchasing with a mortgage. So, loss of coverage would be catastrophic for the over 200 owners here with mortgages, and for anyone who wants to buy or sell. More on this subject later.

4.) Finally, We Heard YES!

Colleen, of Berwick-Himes, called, “We got a quote”. This is where years of relationships pay off. She said, “Make an exception for this one! I am bringing you a premium client: 24 years with Farmers, clean loss-runs, solid financials, over a decade of Corporate Minutes that show a Community dedicated to taking care of business.” And they said, **YES**.

We were so relieved. \$199,000.00. Then she got a second quote, \$187,000.00. Last a quote for \$175,000.00! And the quotes she found – were the only were the only quotes we got.

All of her quotes matched the coverages we had with Farmers for Commercial Property, Liability, and Directors and Officers policies, referred to as “Blanket hazard”. Those are the coverages required by the CC&Rs, and the mortgage companies.

The first two quotes included reinsurance from Lloyds of London. How quaint to think that our property requires a ‘sharing of risk’ by Lloyds. (This because of the new underwriting guidelines of nothing over 20 or 30 million. So, Lloyds covers the amount over their limit.) Obviously, reinsurance adds cost and complexity. The final quote covers what we need, for the least cost available. Whew. Bullet dodged. We can get our new coverage bound by our September 1st deadline.

Oh, but it is not over yet. Farmers always let us pay monthly. Those days are gone. The full \$175,000.00 is due upon signing. YIKES! That is a big check. Now what? Financing is available, but they want 30% down. Feeling faint. Colleen used her relationships to get us 15% down, and a rate of 12%. (Remember, this is an unsecured loan.) So, we just have to provide \$26,000.000 by the end of the month to bind the policy. And the interest adds another \$9,000.00 to the total cost of \$184,000.00. The monthly payments are now \$14,300.00.

The \$175,000.00 bid through Berwick is the bid we will be accepting at the Special Board Meeting we are calling for that purpose, Tuesday, August 27, 2024 at 7:30 pm in the Clubhouse. We will provide payment the next morning, so will be able to have our coverage bound in time for our September 1st deadline.

5.) ...But it Costs More

In the chaos that is the property insurance market right now – there is no certainty – except as an owner sagely noted – it will cost more. Las Colinas is not an island protected from the factors that impact the entire country. Insurance is going up everywhere, for everyone. We do not have a magic wand. Even with the increase, the average owner at Las Colinas spends less than \$65.00 a month on water, sewer, gas, & trash. The average per unit cost for the new blanket hazard policy is still less than \$65.00 a month. This is far less than you would pay for individual replacement coverage. When you buy in bulk – like our coverage for our property, we save money. Which is why the mortgage lenders require us to provide this coverage.

What happens if we fail to get coverage? All of the owners who have mortgages are screwed. **IF** we do not have a policy in place, the mortgage holders have the right to “forced coverage”. That is where your mortgage holder buys coverage for your property and adds it to your mortgage payment. No one knows exactly what those payments might look like – but hundreds of dollars, per month, is the expectation.

Please feel free to call your mortgage holder and ask them what would happen if your Association fails to provide coverage. Our Board Secretary did. Her lender helped her visualize an increased mortgage payment that she could not meet. A property she could not sell, because – no mortgages. Foreclosure. That could happen all over the property. Collapsing prices. **We can not go there.**

However, we will get coverage. The down payment will come out of the Reserve. We will need a 10% dues increase to cover the monthly increase, replenish the Reserve, and build it up. Mortgage lenders want to see 15% budgeted for the Reserve. So, the 2025 Budgeted Reserve will increase to \$135,000.00.

Bottom line, we have to do what is best for the community, as a whole, in the long term. And that means getting coverage. A ten percent dues increase averages \$30.00 per month. **For those of you with mortgages, that is a whole lot cheaper that your forced payment for insurance coverage – which might well exceed your entire dues payment.** A ten percent increase will cover the increased cost. However, we need it to start October 1st. **Watch for the Notice that will be arriving soon.**

If you own your own standalone property, and have no mortgage, you have the choice to drop your insurance, and “go bare”. This is simply not an option we have.

This was unexpected, a whole lot of extra work, followed by the work and expense of a dues increase. **However, being able to preserve our Community is priceless.** Every year there is a challenge. Because we have always done the right thing as a Community, we will survive this challenge too.

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Condominium Owners' Association, Inc.

1600 N. Wilmot Road

Tucson, AZ 85712

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Las Colinas Condominium Association

July Board Meeting

July 16, 2024

7:30 p.m.

Present: John Saputo, President (JS)
Katherine Trimm, Vice President & Managing Agent (KT)
Andra Allen, Secretary/Treasurer (AA)
Andrea Schwimmer (AS)
Rebecca Williams (RW)

I. Call to Order & Roll Call

The July meeting of the Las Colinas Condominium Owner's Association was called to order at 7:30 p.m. by President, John Saputo, in the Clubhouse. A quorum was present. The roll was read.

II. Secretary's Report

The June minutes were read and approved.

III. President's Report

The President reported that we are still shopping for blanket hazard coverage. We have requested an additional extension, past the 30 days they offered. All three major corporate coverage brokers are shopping us. A policy for 35 million in coverage requires some time and analysis. Meanwhile, the market is reeling from the changes. We have three years of clean claims history, with only one claim in the last five years. At least in a skittish market, we are an attractive client. Obviously we are concerned about the cost of coverage. We currently have a \$25,000.00 deductible, which has served us well. There was not much additional savings to go to \$50,000.00. The industry has not offered higher deductibles, but we would certainly entertain that option if it helped our budget.

We are in the middle of monsoon season – the worst time of year for us. We have had NO reported roof leaks this entire season – a tribute to the fine work done by Burlavin sealing our roofs. However, we had two inches of rain in one hour. Tucson has 12 inches of rain per year. We were not built for that volume of water. That said, we only had water reported in two units, and two porches after that rain. This is why we devote so much attention to drainage projects. The next big rain we had no water in any unit and only water on one porch, where we had just begun a drainage upgrade. We will be continuing work on drainage upgrades for the next several weeks.

Burlavin is here installing more gutters to protect the buildings from water, and they will be maintaining the Building 25 and main shop roofs. The remaining roofs are scheduled for completion this fall. That will complete maintenance on all of our 32 roofs.

As it rains, we inspect the property to see where water is getting through, so that those areas can be sealed. Only AFTER the sealing is done does it make sense to replace the damaged plywood below. Over the next few weeks we will be continuing to caulk and DEXcoat, and then replace plywood coverings. For example, Unit 110 had a small piece of damaged flashing that allowed water to penetrate behind the fascia board. Our contractor had repaired the damage and the balcony is being sealed and coated

We approved a replacement washing machine last month for building 19's laundry room and it has been installed. We also found replacement chairs for the BBQ area that met all of our requirements, and they are in place now. Monsoon season also brings pests. We ordered replacement mosquito traps for the property. Installed fly traps. And are using dumpster deodorizer. All things that make life more safe and pleasant.

Summer is also a time of “mystery water”. We had reports of several condensation lines leaking. Only one did damage to its unit, and the unit below. This is a result of people using recommended contractors who understand condensation lines.

IV. Managing Agent’s Report

No one has come forward with a name of a willing CPA. We have received zero requests for monthly statements. On the other hand, Board members routinely provide gratis everything from tax letters, to food stamp letters, to security clearance background interviews. These are the things that are important to members of our Community.

V. New Business

A.) A motion to approve \$850.00 for 8 new chairs for the BBQ area was made by KT and seconded by AZ. The motion passed.

B.) A motion was made to approve \$2,900.00 to Solid Foundations for repairs to Unit 110 porch due to water damage from a loose flashing by KT and seconded by AA. The motion passed.

All motions passed unanimously, unless otherwise noted.

VI. Set Next Meeting

Aug - No Meeting, Sept. 10th, Oct. 8th, Nov. 5th

Annual Meeting – 10:00 a.m., Saturday January 18, 2025

VII. Homeowner Input (two minute limit)

VIII. Ajourn

Las Colinas

Condominium Owners' Association, Inc.

1600 N. Wilmot Road

Tucson, AZ 85712

520 390-2310

www.lascolinascondos.net

Las Colinas Condominium Association

June Board Meeting

June 18, 2024

7:30 p.m.

Present: John Saputo, President (JS)
Katherine Trimm, Vice President & Managing Agent (KT)
Andra Allen, Secretary/Treasurer (AA)
Andrea Schwimmer (AS)

Absent: Rebecca Williams (RW)

I. Call to Order & Roll Call

The June meeting of the Las Colinas Condominium Owner's Association was called to order at 7:30 p.m. by President, John Saputo, in the Clubhouse. A quorum was present. The roll was read.

II. Secretary's Report

The April minutes were read and approved.

III. President's Report

There was no meeting in May. We continued the agenda we approved in April. The carport lights have been replaced. The upper pool also got a new pool pump. That completes the pool upgrades we have been working on since last fall. They both have new pumps and light fixtures. The lower pool had its filter replaced. The upper pool had its sand replaced. We did get the special pool lock replaced.

A big project was to inspect and replace shut-off valves and irrigation valves across the property. That required shutting off the water to the entire property – something we have not had to do in several years.

Again, we had vandalism. The irrigation supply line was intentionally broken about 2 am. Behind the upper pool laundry room. Our staff responded and got the water cleaned up, and our plumber arrived to make the repair.

The twenty replacement lights for our parking spaces have been installed.

Back in November we told you the Code Enforcement Violation was baseless. It took six months, the direction of the Judge and two phone calls to the Code Enforcement Supervisor to get the Inspector to actually inspect the balcony of Unit 207. There was no "three foot hole", or any hole. Never had been. No structural issue at all. The Inspector assured us the violation would be dropped and the case dismissed. Further, he assured us that there were no other issues, in front of the owner of Unit 207, and on tape. This was a huge waste of tax-payer dollars and your dues money. The Inspector had never spoken to the owner of Unit 207, and had refused to speak with us. The Mayor and Council will be receiving a formal complaint. Meanwhile, this Inspector spoke at length with the Judge about a lawsuit, which we had not been notified or served. It was several weeks before our Statutory Agent received a copy. Beyond the fact that it is without merit, we do not discuss active litigation.

Last year we were hit with a 50% increase in our insurance premium, based on an increase in our valuation to 35 million. This year Farmers has decided to not renew for 'commercial' buildings over 30 years old. Your Association falls in this category along with churches and office buildings. Your individual units do not. We received a notice of non-renewal yesterday. Our agent has arranged for an extension to September 1st, if needed, while we shop for other coverage. Travelers has made a similar decision. State Farm is looking at non-renewals for properties over 25 million. This is an insurance industry wide problem, and a nationwide problem.

IV. Managing Agent's Report

The 2023 Financials were finished and posted the end of April on the web-site, joining a decade of history in the black. As we reported last meeting, we contacted the CPA who had done reviews in the past, as he filed them with the Annual Corporation Commission reports. When the Corporation Commission dropped that requirement, he suggested we file it ourselves to save money. In April, we reached out to him about a review. He said that when the new law was put in place, the CPAs doing HOA work he knew all agreed they did not want the liability. He did not know anyone doing this work. As we said in April, if you know a qualified CPA, let us know, and no one did.

V. New Business

A.) A motion to approve \$2,400.00 for pool pump for the Upper Pool was made by KT and seconded by AZ. The motion passed.

B.) A motion was made to approve \$2,260.00 for a replacement washing machine in the Bldg. 19 laundry room was made by KT and seconded by AA. The motion passed.

C.) A motion to approve the 2023 Financials was made by JS and seconded by AA. The motion passed.

All motions passed unanimously, unless otherwise noted.

VI. Set Next Meeting

July 16th, Aug - No Meeting, Sept. 10th, Oct. 8th, Nov. 5th

Annual Meeting – 10:00 a.m., Saturday January 18, 2025

VII. Homeowner Input (two minute limit)

VIII. Ajourn

From: Tucson City COURTWEB <tccweb@courts.az.gov>
To: KATHERINE TRIMM <katherine.trimm@cox.net>
Sent: Thursday, June 20, 2024 at 11:29:59 AM MST
Subject: RE: Court case inquiry

Thank you for your email. As of 5/24/24, the citation has been dismissed and the case has been closed.

Thank you for using CourtWeb

Nando

Senior Court Clerk

Public Services



From: KATHERINE TRIMM <katherine.trimm@cox.net>
Sent: Thursday, June 20, 2024 10:29 AM
To: Tucson City COURTWEB <TCCWEB@courts.az.gov>
Subject: Re: Court case inquiry

Las Colinas

Condominium Owners' Association, Inc.

1600 N. Wilmot Road

Tucson, AZ 85712

520 390-2310

Las Colinas Condominium Association

April Board Meeting

April 23, 2024

7:30 p.m.

Present: John Saputo, President (JS)
Katherine Trimm, Vice President & Managing Agent (KT)
Andra Allen, Secretary/Treasurer (AA)
Andrea Schwimmer (AS)

Absent: Rebecca Williams (RW)

I. Call to Order & Roll Call

The April meeting of the Las Colinas Condominium Owner's Association was called to order at 7:30 p.m. by President, John Saputo, in the Clubhouse. A quorum was present. The roll was read.

II. Secretary's Report

The March minutes were read and approved.

The Annual filing with the Corporation Commission was filed.

III. President's Report

The projects we identified in our last meeting are done. The big project is that Unit 257 is complete, the claim is closed, and the unit is on the market for sale. It looks very beautiful. We finished a number of projects on the pools this year to the lights, filters and pumps. The pools are open. We have a lock that wore out and needs to be replaced on the lower pool. The type of lock required has not been easy to find. Likewise, we want to upgrade the pump at the Upper Pool, and our pool company is having a hard time finding the one we need. But, the pools are open and being enjoyed. Pool supplies are 15% off, so time to stock up for the season.

Thank you Drew for the new bench around the big pine up front. He also cleaned the lights, so they shine up through the tree.

The lights we were using for our parking structures were discontinued and we were not able to find suitable replacements. Rebecca met with our lighting company. They were able to research and special order lights that would fit our parking structures. The first 20 of them have gone. They are LED, so low energy usage and should last awhile. We have another 20 on order, so we can finish replacements and move on to the next lighting project – replacing the lights on top of the parking structures. The lights on the front sign were out due to vandalism, they broke into the box to charge their cell phones. We will be putting in a stronger box to keep them out.

The big project this month was the valves. We have over 100 of them that were inspected, and made repairs and replacements. Valves include the shut-off valves for buildings and irrigation valves. To work on them requires the water line not be pressurized. Where possible we used Pro-press, which is faster than braising. However, that requires hard copper and there was no consistency. Some were soft copper lines and had to be braised. It took three days to complete this project, but it is done for awhile. It has been years since we had to take the water down to the whole property.

In the midst of this, we had an evening call about toilets starting to gurgle. This indicates a sewer line issue. We called the plumber. It backed up into the tub. So, we shut the water off to two buildings, 7 & 8, about 6 pm, to prevent back-ups into the downstairs units. Fortunately the plumber was able to find the problem quickly and get it cleared. It was wipes having been flushed. Lots of wipes, all in a bunch. Wipes are not flushable. Hard to imagine that many, all together, was inadvertent. But the source has been advised not to let that happen again. The water was back up by 10 pm, and we have had no further problems.

Early morning we had a hot water line break reported. It was behind the Upper Pool laundry room. Looked like the failure of the south-east corner, and that was it. We got the parts, and our plumber had it up and running before 5 pm.

As our plumber is available, we have three upcoming plumbing projects. The first is a cracked sewer line going into the foundation. Fortunately, it looks like it can be accessed from the common area wall, so we do not have to jack-hammer up the foundation. Next, the back-flush line for the hot water filtration system will be routed into the sewer, so that we will not have water running into the driveway by Building 19. Third, we try to put in a major clean-out every year, to maintain our sewers. This is estimated about \$6,000.00.

Our laundry maintenance company is doing better with staff and inventory. They have ben out and repairing machines. We only have one washer down – and it is slated for replacement, at about \$2,000.00.

Spring brings back pest issues. We are very proactive at preventing the spread of pests, and have regular preventative work done on the property. In addition, we respond to problems as they arise. We are getting bee calls again. We are happy to have after hours service with our pest company. So they will respond nights and evenings when hive appear. Call the office.

Crime is down, but Paublo caught two men from Monaco slitting our fence. Drew confronted them going through the dumpster and they left. That was all it was, but you don't know what they have in mind. Drew patched the fence.

Our attention focuses now on preparations for monsoon season. Later this week the company who trims our palms will be coming to give us an estimate to take care of the palms. He also provides the pre-monsoon clean-off of our roofs, gutters and downspouts. We are also asking him to clean off the parking structure in the back of the property of branches and leaves, as well as trim the trees along the south side of the property, so they do not scratch the fire trucks as they go to Monaco. We anticipate this will be around \$4,000.00.

The big project for the year is to complete phase 3 of the preventative maintenance for the roofs, and add another round of gutters. We reserved time last year for this project in May of this year. We will be getting an estimate, but our expectation is about \$60,000.00.

We are still only at ½ the staff we need. So, the emergencies are covered, which is what we are here for. The rest of it we have to fit in as we can, until we can get full staffed again. Our focus will be on sealing decks to keep out water. As the buildings settle, this is ongoing, but important protect for our structure.

IV. Managing Agent's Report

We closed the insurance claim, \$199,000.00 for the damage caused by the fire, for which the owner of Unit 257 was arrested for arson. That claim included repair of the Common Area, along with remediation of the smoke and water damage to the adjoining units. The Association took Unit 257 in litigation for the damages.

Unit 257 had to be completely gutted. It has been rebuilt to 2024 Code. Effective today, the Association has it on the market for sale. When it is sold the Association gets reimbursed for our expenses, including legal. The balance will be returned to our Insurance company, who paid the claim for repairs.

V. New Business

A.) A motion to approve \$2,500.00 for pool supplies was made by KT and seconded by AA. The motion passed unanimously.

B.) A motion to affirm \$2,000.00 for lighting fixtures for the parking spaces was made by KT and seconded by JS. The motion passed unanimously.

C.) A motion to affirm \$4,100.00 for valve parts, and \$3,000.00 for valve repair and replacement, and 1,500.00 for hot water line repair was made by KT and seconded by AS. The motion passed unanimously.

D.) A motion to affirm \$610.00 boiler spare bushings was made by KT and seconded by AA. The motion passed unanimously.

E.) A motion to affirm \$1,600.00 for pest removal was made by KT and seconded by JS. The motion passed unanimously.

F.) A motion to affirm \$700.00 for rain leak repairs was made by KT and seconded by AS. The motion passed unanimously.

G.) A motion to affirm \$740.00 for laundry machine repairs was made by KT and seconded by AS. The motion passed unanimously.

H.) A motion to deny the requests from unit 124 for various issues was made by KT and seconded by JS. The motion passed unanimously.

VI. Set Next Meeting

**May - No Mtg, June 18th, July 16th, Aug - No Meeting, Sept. 10th, Oct. 8th,
Nov. 5th**

Annual Meeting – 10:00 a.m., Saturday January 18, 2025

VII. Homeowner Input (two minute limit)

VIII. Ajourn

Las Colinas

Condominium Owners' Association, Inc.

1600 N. Wilmot Road

Tucson, AZ 85712

520 390-2310

Las Colinas Condominium Association

March Board Meeting

March 26, 2024

7:30 p.m.

Present: John Saputo, President (JS)
Katherine Trimm, Vice President & Managing Agent (KT)
Andra Allen, Secretary/Treasurer (AA)

Absent: Andrea Schwimmer (AS)
Rebecca Williams (RW)

I. Call to Order & Roll Call

The March meeting of the Las Colinas Condominium Owner's Association was called to order at 7:30 p.m. by President, John Saputo, in the Clubhouse. A quorum was present. The roll was read.

II. Secretary's Report

The November minutes were read and approved.

III. President's Report

The President reported that the Annual Meeting and Election for 2024 for the Las Colinas Condominium Owner's Association was held on January 20, 2024 at 10:00 a.m. in the Clubhouse. The Ballots were opened and counted by four members of the Association: Yolanda Halberg, Nina Flores, Craig Coder, and Sandra Vasquez in front of those owners present. One hundred twenty-four ballots were received, less three which were unsigned. The current Board was re-elected, and will continue to hold their positions.

Since November, we have had more repairs than normal for this time of year for plumbing, sewer, boilers and electrical. We had five underground coupling failures, disrupting hot water service on the Building 19 and 29 loops. All of these were behind buildings 23 and 24. The couplings are replaced using Pro-press, rather than braising, which is faster, cheaper, and reduces the number of coupling that can fail going forward.

In December we had a sewer line back-up effecting Buildings 7 & 8. This will be the next area for a clean-out to be added, as we continue to do through out the property. In January we had three sewer back-ups into Building 12. These were the direct result of items being flushed that should not have been. Three lost nights for so many people could easily have been avoided. In December, the Upper Pool boiler went out. The fuse and line were replaced. Building 19 boiler had the ignition fail and it was replaced. Building 29 had a worn bushing that was also replaced. We continue to maintain a supply of plumbing and boiler parts on-site to speed repairs.

Our electrician and staff spent their Thanksgiving holiday chasing an underground break in the electrical line to restore lights to Buildings 25 & 30. The pools required several repairs. Both pool lights have been replaced. The sand filter was replaced on the lower pool, and sand replaced at the upper pool. The pool company had trouble getting the correct light fixture for the lower pool. It took three attempts and draining the pool to get the new light installed. At the same time the converter for the pool light was replaced, as it was 50 years old as well.

Our roofing company has handled leaks for us, and they have not been from the roofs – but down spouts and expansion joints. They have also reattached loose pieces of aluminum siding for us. We just had one come down on Building 4, due to an improperly mounted Direct TV dish. (In contrast, DISH does a very nice job of not damaging our property.)

We do as much maintenance as we can to keep the washers/dryers up, but our servicing company continues to have trouble with parts and staff. We are waiting on one board, and have one machine that needs to be replaced, but we try to keep the other 34 running. We continue to have laundry machines report errors due to too much soap, and this is frustrating for everyone. The trash company continues to have staffing problems as well, making the pick-ups unpredictable. Even at the bank, the branch manager is working the teller line. One night our plumber had to dig the two foot deep trench to expose the damaged pipe because he, and we, had no help. Even his own sons were home coughing blood. Between illness, injury, family illness or death; it has been very difficult for everyone we know to keep staffed.

This last year has been very difficult for us as well. Rebecca went to part-time, so she can continue to take care of the boilers, washers, web-site, computers, security systems and serve as our licensed pool tech. Hamed quit, but we found Drew. Paublo was injured in October and could not return to work until the end of January. He still does not have full use of his right hand, but his return is much appreciated. We lost Daniel for health issues. This left us with very little staff. Yet, we were always there for the emergencies -- nights, weekends, and holidays..

The projects we are working on right now include: finishing maintenance on the pools so they can be opened, replacing the upper pool bench, which supports the special lighting for the pine tree, replacing the light fixtures in the parking spaces, and replacing valves throughout the property.

IV. Managing Agent's Report

We are almost finished with the insurance work on Unit 257. We expect to be placing it on the market in the next couple of weeks. Real Estate has been moving well at Las Colinas, and we have had three Units set record prices this year. When it is sold the Association gets reimbursed for our expense and the balance is returned to our Insurance company, who paid the claim for repair.

V. New Business

A.) A motion to affirm \$6,500.00 for boiler repairs was made by KT and seconded by JS. The motion passed unanimously.

B.) A motion to affirm \$18,500.00 for plumbing and sewer maintenance and repairs was made by KT and seconded by JS. The motion passed unanimously.

C.) A motion to affirm \$2,900.00 for pool lights, filters, and converter was made by KT and seconded by AA. The motion passed unanimously.

D.) A motion to affirm \$2,600.00 for electrical repairs was made by KT and seconded by JS. The motion passed unanimously.

E.) A motion to affirm \$1,900.00 for lawn mower, electric trimmer, and supplies was made by KT and seconded by JS. The motion passed unanimously.

F.) A motion to affirm \$1,400.00 for rain leak repairs was made by KT and seconded by JS. The motion passed unanimously.

VI. Set Next Meeting

**April 23rd, May 21st, June 18th, July 16th, Aug - No Meeting
Sept. 10th, Oct. 8th, Nov. 5th**

Annual Meeting – 10:00 a.m., Saturday January 18, 2025

VII. Homeowner Input (two minute limit)

VIII. Ajourn

Las Colinas

Condominium Owners' Association, Inc.

1600 N. Wilmot Road
Tucson, AZ 85712

Las Colinas Condominium Owners' Association Annual Meeting & Election January 20, 2024 10:00 a.m.

Present: John Saputo, President
Katherine Trimm, Vice President & Managing Agent
Andra Allan, Secretary/Treasurer
Andrea Schwimmer, Director
Rebecca Williams, Director

The Annual Meeting and Election for 2024 for the Las Colinas Condominium Owner's Association was called to order on January 20, 2024 at 10:00 a.m. by President, John Saputo in the Clubhouse. Roll was called. Minutes for the 2023 Annual meeting were approved.

A quorum of Owners was certified. The Ballots were opened and counted by four members of the Association: Yolanda Halberg, Nina Flores, Craig Coder, and Sandra Vasquez in front of those owners present. Thank you Yolanda, Nina, Craig, and Sandra.

Results: One hundred twenty-four ballots were received, less three which were unsigned. This is over the 25 ballot quorum required for elections. The votes were as follows:

63 – John Saputo	78 – Katherine Trimm
60 – Andra Allan	65 – Andrea Schwimmer
60 – Rebecca Williams	
56 – Jennette Sanchez	55 – Michael Prock
56 – Joy Karr	53 – Kelly MacArthur
33 – Yasmin Badri	

The incumbent Board was re-elected, and will keep the same offices.

John Saputo, President	Katherine Trimm, Vice President
Andra Allan, Secretary/Treasurer	Rebecca Williams, Director
Andrea Schwimmer, Director	

V. Homeowner Input

VI. Set Next Annual Meeting – January 18, 2025 at 10:00 a.m.

VII. Ajourn