

**CASITA COLONY RECREATION ASSOCIATION**

**EXECUTIVE SESSION of the BOARD**

**Tuesday, Jan 14, 2025**

**CALL TO ORDER** The closed meeting was called to order on Tuesday, Jan 14, 2025, at 7:00 PM, following the adjournment of the regular board meeting of that same date.

**ROLL CALL** Directors in attendance: Fleming, Whitney, Debus, Baughn.

**TOPICS ADDRESSED**

1. Presentation of legal advice obtained from Shaw & Lines LLC, pursuant to a Board-approved request for assistance in a) clarifying ownership of property in VM3 by Trust or LLC, b) advising on procedure for refusing an application for ownership, and c) advising on manner and advisability of background checking applicants for home ownership.
2. Update on status of City code violation of a VM3 property.
3. Hearing request for a waiver by a VM3 property owner.

1. a. VM3 governing documents explicitly allow ownership by an LLC or by a Trust, both of which hide or negate ownership by specific persons or individuals. However VM3 governing documents support an "owner occupied" requirement, and a 55+ age requirement, and a familial status discrimination, all of which require some degree of identification of the person owning the property. According to Shaw Lines, our VM3 rules regarding ownership by Trust or LLC are unenforceable as written, and Shaw Lines advises that these should be removed from our Rules & Regulations.

Action: None in the closed session. The Board will address this issue in future open meetings.

1. b. VM3 Board's authority to refuse ownership to an applicant, per our Declaration of Restrictions, is enforceable, according to Shaw Lines. However, Shaw Lines advised that any such refusal must be based on stated HOA policy and procedure, neither of which are presently contained in our governing documents. In addition, they advised that any specific refusal of ownership application might incidentally be a violation of Federal and Arizona housing laws regarding protected classes of people. Shaw Lines advised that a policy and procedure should be developed by VM3 to guide refusal of ownership application, in order to avoid a lawsuit by an applicant who is refused.

Action: None in the closed session. The Board may address this issue in future open meetings.

1. c. Shaw Lines advised that background checking to provide information regarding applicants is useful in rental situations, but not useful in ownership applicants because of federal and state laws protecting a potential owner. Shaw Lines advised that, to avoid lawsuits, background checks should be applied to non-owner occupants of a property, rather than to owner occupants.

The Board discussed the monetary cost of background checks, the administrative cost for keeping permanent records of background checks, and the community cost that background checks are opposed by some residents, supported by others, and in any case would increase the workload of Board Directors and therefore make Board service less attractive to Residents.

Action: The Board voted to not initiate a background check on ownership applicants or occupants.

2. Update on status of City code violation of a VM3 property.

A code violation was opened by the City of Scottsdale against a VM3 property, concerning an unapproved structure. The city status has progressed from investigation to meeting via phone call, and is currently in "open" status. A courtesy notice by VM3 HOA was delivered in mid-November regarding the structure, but Board action is pending until action by the City is complete, since City action will supersede Board action.

3. Hearing request for a waiver by a VM3 property owner.

A request for a waiver was made by a resident regarding a bicycle trailer in a carport, subsequent to receiving a courtesy notice that said the trailer violates carport rules regarding carport usage. Pictures of the bicycles and trailer were reviewed, showing bicycle security and attachment of trailer to bike. Board discussed issue of sightliness – trailer seemed no more "unsightly" than the bicycles, and bicycles and trailer were mostly covered by a parked car in the carport. Board discussed blockage of utility door by the trailer – trailer position seemed an inconvenience to the owner, but not to the public. Trailer was considered to be appropriate in size and condition.

Action: The Board granted a waiver for the storage of the specified attached bicycle trailer in the carport.

**ADJOURNED - 8:30PM**

John Baughn  
Secretary, CCRA