

July 22, 2022

Happy Friday!

I wanted to give everyone a quick update on the roofs.

We currently have 35 buildings with reported leaks, many of these buildings have more than one unit leaking. We also have many damaged HVAC's that are being checked out. Our techs were out yesterday trying to remove water and assess damage. The roofers are out today and will be working through the day today and over the weekend to try and do emergency patches to try and get the roofs through the next set of storms expected this weekend thru Tuesday. Please be patient with us all as we are doing all we can to get your roof fixed as soon as we can.

ALL roofs and HVAC's will be assessed and prioritized for replacement early next week.

The South Pena pool is now open, and it looks very inviting. The paint for the North Pena pool is now on its way with a delivery expected early next week.

I received a call from a resident near 233 Paseo Pena who had their catalytic converter stolen off their vehicle. I was reading that if you etch or paint your converter bright red or orange with high temp paint, it will be harder for thieves to sell them. Just an idea that might deter thieves.

Please see the update on the Coss-Sotelo issue below sent by our Attorney.

Update on Sotelo Investigation

As was discussed in the April member meeting, the Association had filed a claim with its general liability insurance carrier under the Employee Theft Coverage based on the police report generated by the Tucson Police Department's Fraud Unit concerning JD Sotelo-Coss. The insurance carrier ultimately determined that the qualifications for coverage were met, and paid the Association \$100,000, the limit of liability under that coverage. Those funds have now been deposited into the Association's reserve account.

On another front, the Association's attorney, Wendy Ehrlich, has been investigating the possibility of pursuing a claim against Wells Fargo. According to the police investigation, JD deposited checks made payable to the Association and various

vendors into his own accounts at Wells Fargo. The bank credited his accounts for the checks, despite the fact that none of them were endorsed by the named payees.

After an exhaustive search by Ms. Ehrlich to find the right lawyer to pursue a claim against Wells Fargo (which she did as a courtesy without charge to the Association), the Board of Directors interviewed and retained Nancy Giles of the Giles Law Group in Phoenix whose practice is dedicated to business and commercial litigation. Based on her preliminary review of the facts, Ms. Giles believes that the Association is in a strong position to make a negligence claim against Wells Fargo and intends to use that as leverage to negotiate a settlement with the bank in order to avoid costly and protracted litigation.

Meanwhile, the Attorney General's Office is continuing its investigation of JD with respect to the Villas West matter and alleged thefts from other HOA's around Tucson. No formal charges have yet been lodged against JD, but that is expected to occur in the not-too-distant future.

I will share any other information I receive as it becomes available.

Be prepared for some heavy rain this weekend. Keep in mind that there is not much we can do with most of these roofs to repair them and that the roofers and our team are doing everything they can to protect your unit. Please call in any new roof leaks that happen.

I hope you all have a good weekend!

Dorothy