

San Ignacio Vistas, Inc.
Homeowners Association
Minutes Board Meeting
April 4, 2005

Approved by the board - May 2, 2005

Present: Marianne Bishop, Doug Cameron, Gorman Fisher, Linda Gregory and Ron Sorenson; George Jones, chair MC, and Susan Trecartin, chair of AC were also in attendance. There were no homeowners present. The meeting was called to order at 9:00 AM and proceeded using the agenda as distributed.

1. Reading of the Minutes

The draft minutes of the March 7, 2005 Board Meeting were distributed to the Board via email. The Secretary advised of changes that were made to the draft, which she read to the board. Page 3, 3 A. Maintenance changed to read: Gorman Fisher made a motion to approve an expenditure of \$1385 for repair of the Calle Tres monument... Attachment D deleted and Attachment E changed to Attachment D.

Also on Page 4 D. Communications item (iii) language be added after the second sentence: "If a homeowner is not listed in the GVCCC phone directory, the CC will not publish their phone number in the neighborhood directory. The secretary will provide the CC with a list of those residents not appearing in the GVCCC directory."

Gorman Fisher made a motion to approve the minutes as amended, seconded by Ron Sorenson. All members were in favor.

2. Officers' Reports

A. Secretary

There were two new homeowners this past month: Lots 66 and 95

1. Neighborhood Directory

The March 15th mailing to our homeowners included the following language:

"We are planning to publish an annual neighborhood directory, beginning this Spring. The directory will be mailed to all homeowners and will not be shared with outside agencies, so there will be no risk of solicitors getting a list of all names and addresses."

If you prefer NOT to have your phone number listed, will you please immediately notify Marcia Lucas Email: webmaster@sivhoa.org or Marianne Bishop by calling her at 520-625-4924 or Email: info@sivhoa.org. "

The Secretary received a call from the homeowner of Lot 57 on March 24 asking how we can guarantee that this list would not fall into the hands of outside agencies or solicitors. I could not make that guarantee. The homeowner asked that NO information regarding lot 57 be included in the directory. The phone call was followed by a confirming letter.

The board agreed to comply with this request.

Ron Sorenson suggested the directory include the following disclaimer: "This is not an all inclusive list and, at the request of some homeowners, their names and addresses have been excluded." Doug Cameron said he would provide the board with a draft for review and approval prior to distribution.

2. Minutes on the Web

The Secretary recommended that, because of confusion between versions of draft minutes and additional work required for the webmaster to format both versions, draft minutes should not be posted on the website. It was agreed to post minutes only after they have been approved by the board.

B. Treasurer

The Treasurer presented a Statement of Financial Condition as of 3-31-05 ("Attachment A").

A motion was made and seconded to accept the report, subject to audit. All were in favor.

Linda Gregory will contact Donna Severidt to verify her credentials and qualifications provide the formal study and update to SIV's reserve funds in order to satisfy Paul Wildman CPA.

The Treasurer has downloaded a 30 day trial version of financial software from CAI and is in the process of entering the required information to test its' capabilities.

C. President

- 1) At the last meeting, Doug presented a proposal from Marcia Lucas regarding a newsletter. In it, Marcia suggested that the goal was to transmit the newsletter to the homeowners via e-mail and those homeowners who wanted it sent to them through regular mail, pay for the postage. It is not necessary for homeowners to pay the postage to receive newsletters. There is money in the annual budget to cover the mailing of a newsletter four times a year.

Marianne Bishop made a suggestion that when the Communications Committee transmit newsletters to homeowners via email they also include a link at the bottom of the email allowing homeowners to "opt out" in the event they change their minds about wanting to receive the newsletter via email.

- 2) Although there are several bills going through the Arizona legislature, four were specifically discussed at the March GVCCC meeting. The first, HB 2486, states that a homeowners association must disclose any legal issues pending within the HOA, not just the individual lot. The second, HB 2154, this would prohibit or restrict the use of a proxy. We will be discussing this topic later in the meeting. The third, SB 1233, adds U.S. military flags to the list of flags that may not be prohibited by planned community HOAs. The fourth, HB 2397, increases the handyman exemption threshold from \$750 to

\$1,500 and excludes materials and other items owned or paid for by any person other than the handyman from the threshold amount. A handyman is an unlicensed contractor.

- 3) There was an excellent article in the Green Valley News recently about the topping of trees. This topic should be of importance to all our homeowners since, in the past, it has been the way our common area trees as well as trees on private property have been treated. Topping is detrimental to the health of trees.
- 4) GVCCC is in need of volunteers for committee assignments. As GVCCC committees are being formed for the next couple of years, volunteers will be needed for committee positions. Interested homeowners should contact the GVCCC office at 648-1936.
- 5) There will be another Household Hazardous Waste Collection on April 23 from 8 am to noon at the Valley Presbyterian Church parking lot at 2800 S. Camino del Sol. Details about what sorts of materials they can take can be found on our website.
- 6) Carondelet St. Mary's Hospital is opening a new 30,000 square-foot Emergency Center that will offer a special Green Valley preview on Friday, April 8.

3. Committee Reports

A Maintenance

Owner Requests:

The owners of lot numbers 219 and 220 requested permission to cut down a tree on the common area behind their lots because they feel that the tree is blocking their view of the Santa Rita Mountains. Four members of the MC visited the site and took photographs. After review of the photographs and discussion at the March meeting of the MC, it was the opinion of the MC that the tree in question does not materially block the view from either property; therefore, the MC did not approve the owners' request to cut the tree. The Chairman of the MC will send a letter to the owners informing them of the MC decision and advise them of their right to appeal the MC decision to the SIV Board.

Streets:

At the March SIV Board meeting, the Chairman of the MC had presented a request for operating funds to repair failed asphalt on King Arthur Court and Vista Ridge Courts. Doug Cameron had asked for more time to continue to contact Fairland/Borderland to determine if they would accept responsibility for the failed asphalt, but all attempts to contact them failed. Since all attempts to contact Fairfield/Borderland failed and the bid of \$2,239 from Sunland Asphalt was only good until April 15, with a caveat that the price was subject to change due to volatility of the oil market, the Chairman of the MC resubmitted the request for operating funds.

Gorman Fisher made a motion to approve the expenditure not to exceed \$3,000 which was seconded by Doug Cameron. All members were in favor.

Monuments:

The Chairman of the MC has contacted MJM landscaping to obtain a competitive bid for landscape improvements at the West monument. At this time, MJM has not submitted a bid. Groundskeeper is scheduled to begin work on the East monument landscaping on Monday, April 4, 2005.

B. Architectural Committee

The paint policy has been revised to include language about roof sealing and paint colors and has been published in the homeowners rules distributed to all members on March 15. The board asked what could be done to alert homeowners to inspect their homes (especially trim) to determine if they are in need of repainting. Susan was asked to write an article for the newsletter

Susan Trecartin advised she will be out of town for an extended period and that all correspondence directed to the AC should be forwarded to Gorman Fisher and Bob Puttock until further notice.

C. GVCCC – Covered under the President's report

D. Communications Committee – Doug Cameron

There have been over 1200 hits on the website. Figures indicate 42% have been returning visits. The President has received calls from members of other associations who have visited our website and were impressed.

Marianne Bishop asked why the CC&Rs are not included on the website. Gorman Fisher also questioned posting the Articles of Incorporation. The Secretary was asked to provide Doug with all pertinent governing documents that are not on the web so that they can be added.

4. Continuing Business

A. Bylaws Revision

At a March 21 meeting attended by Linda Gregory, Doug Cameron and Ron Sorenson, Attorney David McEvoy was asked if the Board could revise the Bylaws. After studying association documents, he responded with the following email:

"With respect to the issue of whether the HOA's Bylaws may be amended by the Board or by the members, Article XIV of the Bylaws provides for 2 alternative methods of amendment. Section 1 states that the Bylaws may be amended by the members by at least 2/3 of votes cast at a duly held membership meeting or by at least 50% of the members entitled to vote. Section 2 states that the Bylaws may be amended by the Board at a duly held meeting of the directors, "[t]o the extent permitted by law . . ." Since neither Section has mandatory language (such as, "shall"), then either the members or the directors may so amend the Bylaws. Applicable Arizona statutes authorize the directors, by a majority of a quorum of directors at a duly held meeting of the directors unless the Articles of Incorporation or the Bylaws "require" that the amendment be submitted to the members. ARS

Section 10-11021. I assume that the Articles of Incorporation do not address this issue. I do not have a copy of the Articles of Incorporation.

The board was also provided with feedback and recommendations from the By-laws Committee (Attachment "B") after they met in March. Based upon these two things, Gorman Fisher made the following motion:

I propose to change sections of the current Bylaws to accommodate the participation of **ALL** members of the association to become eligible for nomination to the SIV Board of Directors. To accomplish this task it is proposed that: **Article IV** (Board of Directors: Removal: Terms of Office), Section **1** (Number) be changed to read, "The business of the Association will be managed by a Board of five directors who must be Members of the Association."

Ron Sorenson seconded the motion, and all board members were in favor.

Gorman Fisher made the following motion:

Also to amend **Article V** (Nominations and Election of Directors), Section **1** (Nominations) to have the last sentence of this section changed to read, "Nominations for election to the Board must be made from among members of the Association."

Ron Sorenson stated that there was redundancy because as previously in the Bylaws all board members must be members of the Association.

Gorman restated his motion as follows:

Article V (Nominations and Election of Directors), Section **1** (Nominations) That the last sentence of this section be deleted.

Ron Sorenson seconded the motion, and all board members were in favor.

Gorman suggested that a statement be put on the website under News You Can Use or elsewhere alerting homeowners that all residents are now eligible to serve on the board.

B. CC&R Revision

At the March 21 meeting Attorney David McEvoy was asked for his opinion regarding view easements and related issues in our proposed CC&Rs. It was Mr. McEvoy's opinion that the courts no longer give HOAs discretion when it comes to enforcing the CC&Rs (Johnson and Johnson v. The Pointe Community Association, Inc., an Arizona non-profit corporation, July 31, 2003). Because of this case, he believed that SIV would, at some time, be required to enforce the right to view if the specific references to view are included in the proposed CC&Rs. It was also Mr. McEvoy's opinion that whether someone paid extra for a view is not the HOA's business. This is a matter between the buyer and seller, not the HOA.

Ron Sorenson suggested that Mr. McEvoy be asked for an opinion of the CC&Rs in their entirety as well as all proposed changes contained in the August 11, 2004 draft.

Marianne Bishop asked if the decision of the board to remove all references to views would affect the motion passed by the board at the February 7, 2005 meeting. The board reaffirmed the decision to leave in the sentence "All trees and other vegetation planted in the Lot shall be kept trimmed to a height which will not materially interfere with views from neighboring building cites".

Once the document is ready for presentation the CC&Rs will be presented to the members by mail for a written ballot.

5. **New Business**

A. Absentee Ballots vs. Proxies (HB 2154)

This bill will probably pass and will cause the use of a proxy be replaced with a ballot. The basic difference between the two is that you are not creating an agency. In addition, ballots cannot be voted, but proxies can. Since we are in the process of amending the Bylaws, Ron Sorenson made the following motion:

Moved that Article V, Section 2 be amended to read in its entirety as follows, "Election. Election to the Board will be by written ballot. The Members may cast, in respect of each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes will be elected. Cumulative voting is not permitted. Ballots must be separate documents."

Doug Cameron seconded this motion. All members were in favor.

The ballot will not contain a signature. It will be mailed to each homeowner of record and must be returned in the official ballot envelope that will contain the lot number. The ballot will also show examples of accepted markings for voting.

B. PDF format for files vs. Word

Doug Cameron asked about the benefits of using PDF format over word, especially for the website. Linda stated that PDF files can be compressed, are unchangeable and are more printer-friendly. Gorman Fisher added that the software to read these files is free.

C. Board Meetings – June, July and August 2005

Gorman Fisher made the motion that the board cancel the regularly scheduled meetings for June, July and August. Doug Cameron seconded. All members were in favor.

Ron Sorenson said he may be away for the May 2 meeting. Every attempt will be made to have information regarding the CC&Rs for board review prior to his departure. In case Ron is away for the meeting he will try to be available to participate by phone.

6. **Adjournment**

The board adjourned to go into Executive Session at 10:50 AM.

7. Reconvene

The meeting reconvened at 11:00 AM. There being no further business to come before the board the meeting was adjourned.

Respectfully submitted,



Marianne Bishop, Secretary

ATTACHMENT 'A'

SAN IGNACIO VISTAS, INC. HOMEOWNERS ASSOCIATION

Statement of Financial Condition

3/31/2005

2005 Assets and Liabilities

Assets

Operating Funds	41,727.80
Reserves (Face Value)	<u>151,431.32</u>
Total	193,159.12

Liabilities

2006 dues paid in advance	-
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2005 Income and Expenditures

Income

Dues	71,592.00
Operating Funds Interest	61.77
Reserve Interest	1,087.31
Other Income: Reserves	<u>6,766.00</u>
Total	79,507.08

Expenditures

Operations Expenses	13,725.97
Reserve Projects	<u>1,595.00</u>
Total	15,320.97

Homeowner's Reserve Equity

Total Reserve Equity	151,431.32
Reserve equity, per member	664.17

Unaudited

ATTACHMENT 'B'
MEETING OF THE BY-LAWS COMMITTEE
MARCH 2005

Those in attendance were:

Karl Anderson
John Jones
John Lucas
Carl Schuster
Ron Sorenson

John Lucas met with Shane, an employee of GVR, regarding possibilities of using a speaker phone in the meeting rooms we have reserved for SIV. Currently, GVR does not have any phone jacks in any meeting rooms of the two facilities we currently use or will use in the future. However, upon inspection of the Canoa Hills facilities, John Lucas found that the location of our future Board meetings are within 50' or less of available phone connections. He asked specifically if we could use a GVR phone jack in either the office or the custodian's office using an extension cord to reach our meeting space. It would be a simple connection with a wire run across the entry hall to our meeting location. If the wire were taped to the carpet to avoid a tripping hazard, it would pose no safety concern.

GVR is in the process of converting all phones from analog to digital. This consumes all of Shane's time regarding communications hardware. He did say that once this conversion is complete; there might well be phone jacks in place in meeting rooms a year from now. So, in a nutshell, we have access to a phone line if we receive GVR approval. I also stated that we (SIV) would purchase our own phone and speaker. I also said that we would buy our own calling card for long distance charges.

We could obtain a 1200-minute AT&T calling card that cost about \$35. this converts to approximately 20 hours of long distance calling for pennies per minute. The bottom line is that the out-of-pocket cost to SIV, if a Director is ever elected who is not in Green Valley all year, is minimal.

Mr. Lucas also mentioned a personal conference call that took place a couple of weeks ago. One of his wife's sisters called his wife, and proceeded to connect two other people, all at different locations and all from the phone she was using. No operators were involved....just punching buttons on the phone. The technology exists to communicate with multiple people simultaneously without the additional expense of operator assistance. The chances of having to include many locations on one call are presently very slim.

With the discussion of communications on the table, the consensus was unanimous that the Board revise the Bylaws to remove the term "Year-

Round" from describing homeowners. With the term removed, a homeowner is a homeowner.....period. Section 1 of Article IV need only remove the term and the definition of residing in Green Valley for 70 consecutive days in any calendar year.

Section 1 of Article V need only the removal of the term "Year-Round" for nominations.

The group also agreed to leave the Board of Directors at 5 members. They also agreed that because the term "Year-Round" is abolished, there is no discrimination about how many Directors live anywhere. Again, a homeowner is a homeowner.

In the event that there are many more volunteers seeking Board vacancies than those that exist, only then should the Board consider increasing the size of the number of Directors. We informally talked about something between a 2.5 to 3:1 volunteer ratio per open seat before even considering expanding the Board. This is an arbitrary number. The thought is that we need many more volunteers to run for the Board before we think about expansion of membership. Only then should the Board worry about staggering the terms....which is a simple thing to accomplish.

The meeting was short and most congenial. All agreed that the change will be a positive change within the community. Ron added that the Board can make this revision without seeking approval from the Members because of recent opinions from another attorney. Thus, these changes might be incorporated into the Bylaws quickly.