

**San Ignacio Vistas, Inc.
Homeowners Association
Minutes Board Meeting**

May 1, 2006

Approved By the Board May 22, 2006

Present: Board Members: Marianne Bishop, Bob Christensen. Gorman Fisher, Linda Gregory, and Roger Mikusek The meeting was called to order at 8:55 AM. There were no additions or corrections to the agenda.

1. Reading of the Minutes

The minutes of the April 3 board meeting, as distributed by email, were reviewed and two minor changes were noted. The minutes were approved as revised.

2. Officers' Reports

A. Secretary

The Secretary reported on the success of the first "Thirsty Thursday" event with over 40 attendees. It was decided to make this a monthly event, being held at revolving locations. Jim and Jen Loveland volunteered to host the May 25 gathering from 4 to 6 pm.

The Secretary was asked to bring ideas for board consideration regarding ways to recognize committee volunteers.

Marianne Bishop made a motion, modified by Gorman Fisher that we set up a committee to review the possibility of presenting, at the annual meeting, gift certificates for a local restaurant to active committee members recognizing their contribution during the previous year. The motion was unanimously approved.

Gorman and Marianne will form the committee and this item will be placed on the next agenda.

B. Treasurer

The Treasurer distributed the Financial Report as of April 30, 2006. A motion was made and seconded to accept the report, subject to audit, (Attachment "A").

The budget was reviewed by line item comparing expenses against the budget. In April, \$4,000 was moved into reserves. Bob and Roger will review the AG Edwards statements to determine if we could make any changes in our investment strategy to increase our return.

C. President

Gorman had no report

3. Committee Reports

A. Maintenance Committee

Linda Gregory, acting Chair, gave the MC report (Attachment "B").

Marianne Bishop recommended the board consider going forward with pursuit of electric so that during the winter months the solar system could be supplemented. It would also eliminate the need for the Decorations Committee to climb the steep hill to string extension cords to power holiday decorations and then have varmints chew through the cords. If Lot 001 would change hands the new owners may not want to donate electric during December.

Gorman suggested that trenching could be done from Lot 001 and a separate meter installed. The homeowner will be contacted to see if they would be agreeable and then the feasibility and cost of the project will be researched.

Illegal activity has diminished because of maintenance efforts clearing brush and trees near W Frontage Rd.

Roger asked about installing speed bumps but the board was not open to the idea because it would be more of a pain to homeowners. A better suggestion might be to educate our own residents to SLOW down when driving West Vista Ridge Drive as well as throughout the subdivision as an alternative to the speed bumps.

The homeowner of Lot 003 wrote another letter regarding pack rats on their property. Linda Gregory made a physical inspection of the situation and found a bird feeder placed on common property. Linda will write a letter to the homeowner and request they remove the feeder because of a violation of Homeowner Rule, Private Property, Item 7.

B. Architectural Committee

The AC is scheduled to meet on May 4.

C. GVCCC

Bob Christensen presented the report (Attachment C).

4. Continuing Business

A. CAI March meeting and Legislative Update

Bob Christensen attended the CAI meeting and reported on the portion of the meeting presented by Atty. Carolyn Goldschmidt (Attachment D). He also reviewed a handout from GVCCC (Attachment E) detailing proposed HOA bills and their status in legislature. GVCCC will keep HOAs abreast of these outstanding bills.

B. Review of Reserve Study

Bob Christensen provided his observations after studying the Replacement/Reserve Fund:

Our most recent Reserve Study is dated June 13, 2002. The site visit by Physical Resource Engineering, Inc was described by them as "cursory". Nonetheless they concluded that a pavement life of 30 years was "possible" with regular maintenance. Further they set out the cost of an overlay and outlined a proper maintenance and repair program.

Based upon this Study we have established a Replacement/Reserve Fund that is thought sufficient to meet all of the projected costs for both periodic maintenance and repair as well as the eventual need for an overlay together with appropriate adjustments for inflation at 2.5% per annum. Both of these items may be fine. Unfortunately we have no way to substantiate these assumptions without additional study.

The question is when we should revisit the Study, how extensive does it need to be and who should be engaged. Finally, we need to test the validity of the inflation factors being used as cost of materials may be far more volatile than that of general inflation.

Linda will contact Sunland Asphalt to get their current estimate on replacing our streets. Bob also expressed the thought that we would be better to plan for a worst case scenerio rather than best.

This item will be placed on the next agenda.

C. Welcoming Committee – held over from March meeting - (new business)

Bob made an initial recommendation to form a Welcoming Committee at the March meeting and was to study the subject and present his ideas to the board:

About 20 new homeowners move into San Ignacio Vistas each year and few, if any, are "welcomed" by their neighbors. The purpose of this committee would be ensure each new neighbor is welcomed and to offer them a "Welcome Kit"

The kit would include a "welcome letter" from the Board, the new "Governing Documents Book" if not left with the property and certain other information of interest to any new homeowner. Most of handouts are available from organizations within Green Valley (Chamber, GVCCC, GVR).

At the suggestion of the Board, Bob approached Gene Bengston. Gene is of the opinion that it would be better to have a separate committee rather than educating and relying on the Neighborhood Watch team of 14 people and this would ensure a uniform presentation.

Therefore, we need to seek up to three volunteers who share an interest in extending a neighborly welcome to new homeowners. These volunteers would form a Welcome Committee independent of the Neighborhood Watch Committee who would take over responsibility for collecting data cards from new homeowners as well as distributing the proposed Kit.

Marianne will provide the initial lead once new owner information is received from the title company. Ideally, two members of the Committee would form a "welcome team" to meet with the new homeowner(s) within days of their move.

D. Secretary's Compensation Roger Mikusek

Roger presented a letter and ballot (Attachment F) prepared by his committee charged with researching means whereby SIVHOA could compensate the Secretary of the Association for time and effort expended on behalf of the homeowners. After discussion, Roger made a recommendation that the board approve the mailing as amended and that the Secretary be instructed to complete the mailing as soon as possible.

Linda Gregory moved that the board accept the amended recommendation for mailing of the ballot, seconded by Bob Christensen. 4 yes votes, Marianne Bishop abstained.

Linda Gregory moved that the record date for being eligible to vote on the proposal be set as March 31, 2006. Bob Christensen seconded. 4 yes votes, Marianne Bishop abstained.

Bob Christensen moved that the board adopt a Resolution that the homeowners vote for Item #3 on the ballot, seconded by Roger Mikusek. 4 yes votes, Marianne Bishop abstained.

5. New Business

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

6. Adjournment

The next meeting will be on Monday, September 11 at Canoa Rec Center in the Mesquite Room. With no further business to come before the board, the meeting was adjourned at 11:05 AM.

Respectfully submitted,



Marianne Bishop, Secretary

ATTACHMENT 'A'
SAN IGNACIO VISTAS, INC.
HOMEOWNERS ASSOCIATION
Statement of Financial Condition
4/30/2006

2006 Assets and Liabilities

Assets

Operating Funds	38,981.04
Reserves	<u>158,850.75</u>
Total	197,831.79

Liabilities

2007 dues paid in advance

2006 Income and Expenditures

Income

Dues	71,592.00
Transfer Fees	375.00
Document Fees	550.00
Other	6,836.80
Operating Funds Interest	383.78
Reserve Interest	1,707.28
Other Income: Reserves	<u>-</u>
Total	81,444.86

Expenditures

Operations Expenses	22,064.54
Reserve Projects	<u>4,884.76</u>
Total	26,949.30

Homeowner's Reserve Equity

Total Reserve Equity	158,850.75
Reserve equity, per member	696.71

Unaudited

**"ATTACHMENT 'B'
MAINTENANCE COMMITTEE REPORT
April Meeting**

The solar lights at the Calle Tres entrance were not staying on because trees/shrubs were blocking the solar collector. The landscaping company has been told to check on that area often to see that the vegetation is kept trimmed. It was the committee recommendation that no further investigation of installing electrical at that entrance should take place.

Committee members surveyed the streets and manholes for areas of concern reported by homeowners. All are deemed to be satisfactory.

One committee member mentioned some possible erosion at the top of the Camino del Sol hill. He will report on the area at the May maintenance committee meeting.

The committee will look into re-landscaping the Camino del Sol entrance investigating other areas of common area that may be suitable for planting xeric shrubs. These areas must be near homes that would provide water for the start-ups.

We are happy to report that due to the efforts of the maintenance committee to have the Gold Canyon clear grasses and trees in the area between View Ridge Drive and West Frontage road, as well as the dedicated efforts of a couple of homeowners, the illegal activity in that area has ceased. We must continue to be vigilant, but the area is less attractive area to hide in because nearly all activity is within view and capable of being reported to appropriate authorities.

**"ATTACHMENT 'C'
Report GVCC
April Board of Reps. Meeting**

The GVCCC has or is:

- requested the EPA to reconsider its decision to remove its monitor of the environment in GV
- expressed its opposition to the Paseo Development
- endorsed preservation of the West Desert open area 4- GVCCC opposes the use of automated waste removal trucks in GV
- prepared a brochure for distribution supporting volunteerism
- supporting the RTA Expenditure Plan and sales tax increase that are on the May 16 ballot as Questions 1 and 2
- supporting the bond issues for Psychiatric Urgent Care Facility and Inpatient Hospital Facility that are on the May 16 ballot as Questions 3 and 4
- adopted a resolution to promote study of providing access to West Frontage Road south of the Canoa Exit. GVCCC favors a "second way out" of any new development, the expansion of West Frontate Road to accommodate any increase in traffic, improvement of the Canoa and Continental Interchanges, a cross-over at Camino Encanto to and extended East Frontage Road, reductions in the speed limit on West Frontage Road and the eventual transition to one way traffic
- In the process of conducting a survey on Road Maintenance

"ATTACHMENT 'D'

Comments by Carolyn B. Goldschmidt
Southern Arizona Chapter Community Associations Institute 2006 Legal Forum
as noted by Bob Christensen.

Case # 1 Haines v. Goldfield Property Owners Association @ Arizona Court of Appeals, Division One in October 2005

Issue: Do Arizona statutes prohibit homeowner associations from distributing excess assessments to its members?

Resolution: Yes.

Recommendation: In the event of a special assessment the homeowner association should place the proceeds in a trust account until such time as the actual costs are known. Then any excess could be returned (from the trust account) to the members.

Case #2 Wilson v Playa de Serrano@ Arizona Court of Appeals, Division Two in November 2005

Issue: Can a homeowner association impose an age restriction on occupants of dwelling units and become an age restricted community by amending its Bylaws and not its CC&Rs?

Resolution: No. Any restrictions on use of a unit must be in the CC&Rs.

Case #3 Vales v Kings Hill Condominium Association @ Arizona Court of Appeals, Division Two in December 2005

Issue: Does the Arizona Statute barring challenges to the validity of an Association's amendment (restricting leasing) to a condominium declaration not filed within one year, apply to Association amendments not adopted pursuant to the Statute?

Resolution: Yes. A condominium or homeowners association may restrict leasing of units such as setting minimums but it would be problematic if the homeowner association attempted to prohibit leasing altogether.

Case #4 Powell v Washburn @ Arizona Supreme Court in January 2006

Issue: Should interpretation of restrictive covenants in CC&Rs follow the traditional "free use of land" approach?

Resolution: No. The traditional approach would permit only those restrictions on use specified in the CC&Rs. If the CC&Rs are silent on a potential use, then the courts have historically assumed that silence as implying permission for the use under the "free use of land" approach. In January the Supreme Court overturned this "permissive" approach. In its place the Court now calls for an interpretation that gives effect to the intention of the parties as determined either from the language of the CC&Rs or, when available, the authors of the CC&Rs. Now a Court need not take silence in the CC&Rs as indicative of permission. Instead the Court could hold a restriction on use was implied by CC&Rs. To avoid the issue from being tested it would still be best to list all restrictions.

"ATTACHMENT 'E'

PROPOSED LEGISLATION HOMEOWNER ASSOCIATIONS & CC&Rs

Information as of April 11, 2006

If you wish to view the Bill Summary, Voting Detail, or Text of Bill, visit the Arizona Legislature's Website at www.azleg.state.az.us

Bill Number	Title of Legislation	Bill Sponsored by:	Committee Information	Current Status
HB 2205	Planned Communities; Utility	Biggs	GOV Passed 3/2/06 RULES 3/6/06	In Senate
S.B. 1007	Condominiums; HOAs; Records; Fees	Waring	FMPR Passed 3/6/06 RULES	Signed by the Governor April 10, 2006
S.B. 1008	Condominiums; HOAs; Foreclosure Limitations	Waring	JUD; FMPR; RULES	Signed by the Governor April 10, 2006
S.B. 1055	HOAs; Military Flags	Gray; Martin		Signed by the Governor April 10, 2006
S.B. 1138	Condominiums; Real Property Conveyance	Leff, et. al.	COM Passed 3/1/06 RULES	Signed by the Governor April 10, 2006
S.B. 1560	HOAs; Violation Notices	Waring	FMPR Passed 3/27/06 RULES	Transmitted to House 3/21/06

Legend:

APPROP: Appropriations
 COM: Commerce
 COW: Committee of the whole
 FMPR: Federal Mandates & Property Rights
 GOV: Government
 GRGFA: Government Reform & Government Finance Accountability
 JLJD: Judiciary
 TRANS: Transportation
 T.C.: Technical Correction WM- Ways & Means

**SAN IGNACIO VISTAS, INC.
HOMEOWNERS ASSOCIATION
P.O. BOX 1150
GREEN VALLEY AZ 85622-1150
May 5, 2006**

Dear Homeowner:

Since February 2003 Marianne Bishop has been serving as the Recording Secretary, as well as functioning as Executive Secretary. From January 2003 to December 2005 your Association was paying Lewis Management Resources "LMR" \$450 per month to maintain our database, oversee mailings and maintain the lot files and perform property transfers.

If you either attended the Annual Meeting in February, 2006 or read the minutes of that meeting you are aware that the board found it necessary to dismiss "LMR" because of the number of errors being made and the amount of time the Secretary had to devote to overseeing this work and correcting errors. Mrs. Bishop has been performing all secretarial functions since January 2006 as well as maintaining the association's website. This requires a considerable commitment of her time, especially during the period from September through the end of March. In addition at the May 1, 2006 meeting of the board of directors Marianne has agreed to also serve as Treasurer if compensated for her services. Our Bylaws do not allow a board member to be compensated, except for expenses. Therefore we are asking that you respond to the enclosed Ballot so that we can in a small way begin to compensate her for the time and effort expended on behalf of all homeowners. This would be effective June 1, 2006 at \$400/month. If you have any questions please call Roger at 989-631-2464 or Bob Christensen as 393-0304.

On behalf the Committee to Structure Compensation for the position
of Secretary/Treasurer: Roger Mikusek, Chairman
Committee: Bob Christensen
Bob Copeland
Ralph Fennig
Jim MacLaren
Ron Sorenson
Ivan Tolar

Reverse side: Description of Position
Enclosures: Ballot

ARE YOU A CANDIDATE VOLUNTEER FOR THE POSITION OF SECRETARY/TREASURER?

Take and prepare minutes of the monthly SIV Board meetings and of the Annual Member's Meeting in February as well as any Executive Sessions.

Create and maintain membership rosters, maintain age-compliance records, process resale documents as required by statute, prepare dues-payment notices as well as all other mailings, newsletters, maintain a record of CC&R violations, prepare certain legal documents as needed as well as such other duties as are required to document the on-going activities of the Board and the Association; and maintain the website.

Maintain the financial records and bank accounts of the Association, prepare necessary reports and budget, handle both accounts payable and receivable, coordinate reserves with the brokerage firm, and interact with the accountant in preparation of tax returns and audit.

Prerequisites:

Prior experience in taking and preparing minutes. To be considered, you must be available to attend all board meetings and the Annual meeting; possess good writing and spelling skills, word processing skills and have access to a personal computer; the ability to organize minutes to meet statutory requirements, record all actions of the Board and a log of items discussed. To mail, by e-mail or U.S. Mail, the agenda and minutes to each Board member prior to each meeting. The candidate must possess expert programming, record-keeping and computer skills and have access to a personal computer and be available and on call to carry out all of the duties and responsibilities required of a Recording, Corresponding, and Filing Secretary as well as those of a Treasurer.

Software capabilities: Word, Excel, Adobe Professional, Olympus Player, FTP Commander, Quicken, Microsoft Outlook.

A volunteer for this position would save the Association at least \$20,000.00 per year.

If you are interested in volunteering for this position, please send your vita by May 23, 2006 to:

The Committee
San Ignacio Vistas, Inc.
P.O. Box 1150
Green Valley AZ 85622-1150

SAN IGNACIO VISTAS, INC.

BALLOT

May 5, 2006

This ballot is to be used to vote regarding establishing compensation for the position of Secretary/Treasurer. **In order to be counted, this ballot, property completed and signed, must be returned on or before May 25, 2006.**

To vote place a mark within the appropriate block, then sign and print your name below. Any other marking or comment on the BALLOT besides your signature and name will nullify your vote.

#1 I am a volunteer who is willing to perform the Secretary/Treasurer function as described on the enclosed sheet, and am qualified to do this job and only be reimbursed for expenses. Enclosed is a resume detailing my background.

#2 I recommend that the Association retain a management company to perform all functions being done presently by our Secretary and Treasurer at a cost of approximately \$22,000/yr which would require an immediate dues increase of about \$100 per household.

#3 The board proposes to amend the first sentence of Article VIII, Section 8 of the Bylaws dealing with officers' compensation to read in its entirety:

"No officer will receive compensation for any services rendered to the Association, except that the Board may, in its discretion, compensate an officer who serves as the Secretary (beyond the mere recording of minutes of meetings of the Board and Members) and/or Treasurer in such amounts and at such times as the Board may from time to time determine."

=====
Per Article III Section 5 of the Bylaws, 10% of the members will constitute a quorum, thus a minimum of 23 valid ballots must be received to satisfy the requirements for a valid solicitation. Per Article III Section 8, to be approved, assuming a quorum is present, item 3 must receive at least one vote more than 50% of all votes cast.

At the May 1, 2006 meeting, the Board adopted a Resolution recommending a "FOR" Vote on #3.

Owner's Signature

PRINTED Owner's Name

LOT

To be valid this ballot MUST BE SIGNED by an Owner.

Homeowners of Record as of April 31, 2006 are entitled to vote.

