

San Ignacio Vistas, Inc.
Homeowners Association
Minutes Board Meeting
February 4, 2008

APPROVED BY THE BOARD: March 10, 2008

Board: Marianne Bishop, Jim Chervenka Bob Christensen and Duane Nealy.
Homeowners: Royce Hill, Delores Levitt, Greg Nowak, Jack Powers, Susan Trecartin and Ed Wismeyer.

The meeting was called to order at 10 AM with a quorum in attendance. The agenda was approved with no additions.

1. **Consider Meeting Minutes** A MOTION was MADE, SECONDED and PASSED to approve the Minutes of the **January 14** board meeting.

2. Audit Committee Report

Jack Powers presented the audit report for the committee. He read their opinion as well as the comments and recommendations (Attachments A and B).

A MOTION was MADE SECONDED and PASSED accepting the Audit Committee Report dated January 21, 2008 and commending the Audit Committee for its excellent work on behalf of the Association.

A MOTION was MADE SECONDED and PASSED to adopt a Resolution directing that the opening or closing of any bank or brokerage accounts can be undertaken by the Treasurer with the concurrence of the President prior to Board Approval.

A MOTION was MADE SECONDED and PASSED to adopt a Resolution that the purchase of investments such as CDs in either the operating fund or the reserve fund can be undertaken by the Treasurer with the concurrence of the President prior to Board Approval provided such investments are made within the guidelines set out in the Investment Plan.

A MOTION was MADE SECONDED and PASSED to adopt a Resolution that all dues assessment monies will be deposited into the Compass Bank Money Market Account or such other account designated for that purpose by the Board.

A MOTION was MADE SECONDED and PASSED to adopt a Resolution that all checks of the Association should be signed by the Treasurer and the President, or in the absence of the President a Vice President of the Association and at the time of signing a check, the President (Vice President) will review, initial and date the related vendor invoice or similar documentation.

A MOTION was MADE SECONDED and PASSED to adopt a Resolution that the following expenditures may be charged to the Reserve Fund:

1. Street crack seal.

A continuing program to fill narrow cracks in the street surface generally performed every other year in January or February.

2. Street crack repair.

We expect to begin this new program in 2009. The objective is to repair unstable base conditions under cracks of 1/2" or more. After the repair, the asphalt surface is replaced.

3. Street/curb seal.

This new program will begin in 2008. The objective is to reseal the crack where the asphalt street meets the concrete curb. A second curb seal could be needed about 10 years after a street overlay.

4. Street overlay.

The initial overlay to resurface the streets is now expected to occur when they are about 25 years old. Sometimes a second overlay can then occur about 10 to 15 years later. Alternatively, the street is replaced.

5. Street repair.
An intermittent program to replace unstable base conditions when and where they are identified.
6. Street reseal.
This is a continuing program to protect the street surface from the sun and ordinary wear and tear. Generally the reseal is performed every four years in May or June.
7. Concrete repair.
Expect this program begun in 2007 to repeat as needed for the repair cracking or heaving in our curbs, sidewalks or drainage lines.
8. Repainting of culvert rails.
A new program expected to occur every four years beginning in 2008.
9. Repair and repainting of stucco retaining and other walls or monuments.
Expect to repeat this program begun in 2007 every six years.
10. Refurbishment of monuments.
A new program expected to begin in 2015.
11. Repair of drainage channels.
This is an intermittent program to repair or replace damaged or deteriorating drainage channels that was begun in 2004.
12. Reserve Study.
Expect to repeat this program begun in 2007 every five years.
13. Income taxes on the interest income earned on the investments in the reserve fund (and for purposes of convenience the interest income earned on monies held in the operating fund).

A MOTION was MADE SECONDED and PASSED to adopt a Resolution that the following expenditures may be charged to the operating fund:

1. Maintenance of the common area.
Generally this maintenance is performed monthly under an annual service contract.
2. Trimming of common area trees.
Generally the trimming is performed annually under a service contract let for the purpose.
3. Utilities.
Electric and water service to the Comino del Sol monument area.
4. Other maintenance.
This includes replacement parts or servicing of power or water devices at either monument, tree or vegetation removal resulting from storm or other damage, planting of replacement vegetation, street signs and signage painted on the streets, all expenses for the maintenance of Association assets not specifically enumerated as qualified reserve expenditures or otherwise qualified but where the expense falls below \$500 and all expenditures related to the bidding process including fees/expenses paid to consulting engineers.

A MOTION was MADE SECONDED and PASSED requesting that the Audit Committee prepare a written manual setting forth the accounting policies and procedures of the Association for presentation to the Board at its December meeting.

3. Officer's Reports

A. Secretary

A MOTION was MADE SECONDED and PASSED approving placement of an ad in the Green Valley News advertising the Neighborhood Garage Sale for a cost not to exceed \$75.

A MOTION was MADE SECONDED and PASSED approving an honorarium of \$20 for the GVR personnel that set up the annual meeting on February 28, 2008.

B. Treasurer

The Audit Committee suggested a change in format to the financial statements in order to more clearly present the balances for all accounts compared with the budget.

A MOTION was MADE SECONDED and PASSED to adopt a Resolution that the Statement of Revenue, Expense and Fund Balances (Modified Cash Basis) Year Ended December 31, 2007

(Attachment C) as the financial report of San Ignacio Vistas, Inc. replace all other earlier drafts for year-end 2007.

A MOTION was MADE SECONDED and PASSED to adopt a Resolution that the format of the Statement of Revenue, Expense and Fund Balances (Modified Cash Basis) Month Ended January 31, 2008 (Attachment D) be used as the interim financial reporting format of San Ignacio Vistas, Inc. replacing all other interim reporting models.

A MOTION was MADE SECONDED and PASSED approving the Financial Report at January 31, 2008 (Attachment D).

C. President

Marianne Bishop left the room during the subsequent discussion and vote:

A MOTION was MADE SECONDED approving the compensation for Reliable Secretary Service at \$4,800 for 2008 plus \$800 to offset related taxes. The Board hereby authorizes monthly payments of \$800 in January, \$600 in February, \$500 in March and April and \$400 in May through December. Yea – Christensen Chervenka and Nealy

Discussion followed regarding the agenda for the Annual Meeting and the need to confirm the membership of the standing committees for 2008 prior to the next board meeting.

Homeowners serving as tellers for the annual meeting include: Mary Lou Catino, head teller, Marcia Bengston, Mike and Jessie Eman and Pam Irvin.

4. Committee Reports

A. Nominating Committee

A MOTION was MADE SECONDED and PASSED approving Bob Christensen and Delores Leavitt as the candidates to stand for election to the Board for a two-year term beginning February 2008

B. Architectural Committee

Gerry Larsen was unable to attend the meeting and the secretary read the report (Attachment E).

C. Maintenance Committee

Jim Chervenka presented the report (Attachment F).

A MOTION was MADE SECONDED and PASSED approving the draft language for revision of the section of the Homeowners Rules covering COMMON AREA TREES AND OTHER VEGETATION and directing the Maintenance Committee to draft the tree removal guidelines contained under Item 4 of the revised Rule. (Attachment G).

The secretary will provide the committee with a copy of the Release of Liability Agreement prepared by our attorney for use when a homeowner requests permission to perform work in the Common Area.

5. Continuing Business None

6. New Business None

7. Adjournment The meeting was adjourned at 11:30 AM

Respectfully submitted,

Marianne Bishop, Secretary

"Attachment A"

Audit Committee Report

To the Board of Directors
San Ignacio Vistas, Inc.

We have performed an internal audit of the accompanying statement of Revenue, Expenses and Fund Balances of San Ignacio Vistas, Inc. (a non-profit organization) for the year ended December 31, 2007. This financial statement is the responsibility of the organization's management. Our responsibility is to express an opinion on this financial statement based on our internal audit.

We conducted our internal audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. Our internal audit procedures included examining, on a test basis, evidence supporting the amounts in the financial statement as well as evaluating the overall financial statement presentation. We believe that our internal audit procedures provide a reasonable basis for our opinion.

This financial statement is prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, as the internal audit committee, the financial statement referred to above presents fairly, in all material respects, the revenue, expenses and fund balances of San Ignacio Vistas, Inc. for the year ended December 31, 2007, on the modified cash basis of accounting.

The San Ignacio Vistas, Inc.
Internal Audit Committee
January 21, 2008

“Attachment B”

To the Board of Directors
San Ignacio Vistas, Inc.

During the course of our examination of the financial statement of San Ignacio Vistas homeowners' association for the year ended December 31, 2007 certain matters came to our attention which, we believe, warrant your consideration. Accordingly, we submit the following comments and recommendations.

We noted that funds from the CD in the Reserve fund at Chase Bank were transferred to the AG Edwards account upon maturity. We did not observe documentation of this transfer and closing the Chase account in the 2007 minutes. We also observed that two CDs were purchased in the Operating Fund with 2008 dues assessments received in December. (We concur with the temporary investment of monies not immediately needed for operations.) We RECOMMEND the opening or closing of all bank or brokerage accounts and the purchase of CDs or other investments be documented in the minutes. This will provide a better audit trail.

As noted above, CDs were acquired in December directly from dues collections. The paperwork documented the disposition of the amount collected between the money market account and the purchase of CDs. However, to provide a better audit trail, we RECOMMEND all monies received be deposited directly into a designated depository account. The purchase of CDs or other investments would then be by check or, perhaps, bank transfer.

Present policies provide good controls over cash disbursements with the review of all vendor invoices or other documentation by a second officer (currently the President). We RECOMMEND such review be documented by the initials of the reviewer and the date.

When reviewing expenditures from the Reserve Fund we were informed the Board has not established any formal guidelines regarding the nature and/or dollar threshold of expenditures to be charged to the Reserve Fund as opposed to the Operating Fund. We are aware the Board authorized a Reserve Study which was conducted by independent Consultants having expertise in such matters for Homeowners' Associations. It is our understanding the Consultants provided certain information, based on their expertise and broad exposure to Homeowners' Associations, regarding the types and dollar threshold of expenditures properly chargeable to the Reserve Fund. We RECOMMEND the Board adopt formal guidelines consistent with "industry practice" for expenditures to be charged to the Reserve Fund.

We found the financial records to be in good order. We also commend the Association on the progress made in its financial reporting. In this regard, we have worked with the President on suggestions which, we believe, will further improve the financial reporting process. We understand most functions of a Homowners' Association are handled by volunteers and consequently there is a built-in rotation of responsibilities and duties. In order to facilitate continuity and consistency we RECOMMEND creation of a manual setting forth the accounting policies and procedures of the Association.

We would be happy to discuss the foregoing comments and recommendations at your convenience.

The SIV Audit Committee

January 21, 2008

February 4, 2008

Page 5 of 10

SAN IGNACIO VISTAS, INC.

Statement of Revenue, Expenses and Fund Balances (Modified Cash Basis)

Year Ended December 31, 2007

	Operating Fund		Reserve Fund Actual	Total All Funds Actual
	Budget	Actual		
Revenue				
Assessments (collected in advance \$78,540 in 2007 and \$56,350 in 2006)	\$79,800	\$79,800	\$0	\$79,800
Transfer and Document Fees	4,500	1,400	0	1,400
Interest	920	1,255	8,694	9,949
Total Revenue	\$85,220	\$82,455	\$8,694	\$91,149
Expenses				
Maintenance Expenses	\$38,100	\$37,388	\$15,832	\$53,220
Administrative Expenses	12,615	12,274	0	12,274
Other Expenses	7,885	7,833	4,418	12,251
Total Expenses	\$58,600	\$57,495	\$20,250	\$77,745
Excess Revenue (Expenses)	\$26,620	\$24,960	(\$11,556)	\$13,404
Reserve Allocation To (From)	(26,620)	(26,620)	26,620	0
Net Increase (Decrease) After Allocation	\$0	(\$1,660)	\$15,064	\$13,404
Fund Balances				
Beginning of Year Fund Balance		\$4,683	\$170,318	\$175,001
End of Year Fund Balance		\$3,023	\$185,382	\$188,405

Supplementary Information

The dues assessment for 2007 was \$350 per member and for 2008 \$420 per member.

Cash and investments totaled \$231,351 at the beginning of the year, including \$56,350 of assessments collected in advance. At the end of the year cash and investments totaled \$266,945, including \$78,540 of assessments collected in advance.

The \$266,945 of year end cash and investments included \$3,023 of cash in the operating account and \$78,540 of cash and CDs in the assessments account at Compass Bank; \$20,382 in cash and \$165,000 in investments in the reserve account at AG Edwards.

Reserve equity totaled \$747 per member at year end 2006 and \$813 per member at year end 2007.

Prepared by Marianne Bishop, Treasurer

SAN IGNACIO VISTAS, INC.

Statement of Revenue, Expenses and Fund Balances (Modified Cash Basis)

Month Ended January 31, 2008

	Operating Fund <u>Budget</u>	Operating Fund <u>Actual</u>	Reserve Fund <u>Actual</u>	Total All Funds <u>Actual</u>
Revenue				
Assessments	\$95,760	\$95,760	\$0	\$95,760
Transfer and Document Fees	200	0	0	0
Interest	<u>188</u>	<u>79</u>	<u>1,611</u>	<u>1,690</u>
Total Revenue	<u>\$96,148</u>	<u>\$95,839</u>	<u>\$1,611</u>	<u>\$97,450</u>
Expenses				
Maintenance Expenses	\$2,866	\$2,881	\$0	\$2,881
Administrative Expenses	2,246	1,502	0	1,502
Other Expenses	<u>1,779</u>	<u>1,506</u>	<u>0</u>	<u>1,506</u>
Total Expenses	<u>\$6,891</u>	<u>\$5,889</u>	<u>\$0</u>	<u>\$5,889</u>
Excess Revenue (Expenses)	\$89,257	\$89,950	\$1,611	\$91,561
Reserve Allocation To (From)	<u>(40,000)</u>	<u>(40,000)</u>	<u>40,000</u>	<u>0</u>
Net Increase (Decrease) After Allocation	<u>\$49,257</u>	<u>\$49,950</u>	<u>\$41,611</u>	<u>\$91,561</u>
Fund Balances				
Beginning of Year Fund Balance		\$3,023	\$185,382	\$188,405
End of Month Fund Balance		<u>\$52,973</u>	<u>\$226,993</u>	<u>\$279,966</u>

Supplementary Information

The dues assessment for 2008 was \$420 per member. \$78,540 was collected in December the balance in January.

Cash and investments totaled \$266,945 at the beginning of the year, including \$3,023 of cash in the operating account and \$78,540 of cash and CDs in the assessments account at Compass Bank; \$20,382 in cash and \$165,000 in investments in the reserve account at AG Edwards.

Reserve equity totaled \$813 per member at the beginning of the year and \$996 per member at month end.

"Attachment E"

ARCHITECTURAL COMMITTEE REPORT

Minutes

Friday Jan 25th 2008

Member in attendance: Gerald (Jerry) Larsen, Susan Trecartin, Jerry Le Tendre, Royce Hill.

1. General discussion was held regarding the making of a new submittal Form for Members requesting installation for Solar devices.

Jerry LeTendre agreed to continue to work on this.

2. Acquiring a Plat copy of the Lot Easements for SIV.

Susan Trecartin volunteered to go to Pima County Planning Commission to inquire about getting a copy of the Lot easements for SIV.

3. The Committee agreed the following schedule for who is responsible for picking up the AC Review Submittal Form from Marianne.

February thru May 2008	Jerry Le Tendre
June thru August 2008	Jerry Larsen
October and Nov 2008	Susan Trecartin
December 2008	Jerry Larsen
January and Feb 2009	Royce Hill

4. Since the last Committee meeting the following requests where submitted and approved.

Lot 100 repainting the house
Lot 135 install sunscreen on Patio
Lot 045 Ramada

Respectfully submitted:

Gerald Larsen

"Attachment F"

MAINTENANCE COMMITTEE REPORT

- The Crack Sealing and Curb Sealing work which was awarded to Sunland Asphalt has been scheduled for Feb 12 - 13, 2008. The scope of the curb sealing work was reduced (eliminated Harvest Moon Dr) in order to reduce the cost of the curb sealing from \$9530 to \$6975. This reduced the total project (crack sealing, curb sealing and seal coating) from \$57684 to \$55028. A schedule has been established to have 2 or more Maintenance Committee members on site during the crack sealing and curb sealing work. The dates for the initial work were communicated to Homeowners as part of the mailing of the annual meeting notice.
- Gold Canyon continued routine landscaping maintenance of the common areas. Work on the exterior common areas, including trimming of some trees, was completed in January. Work was started again on the interior common areas. Gold Canyon also sprayed the curb lines to kill any weeds on those streets scheduled for curb sealing in February.
- The Maintenance Committee reviewed the draft language to provide a written rule for a homeowner to request in writing the removal of a tree in the common area that is affecting their rear view. The Committee agreed upon the proposed language and agreed the draft should be submitted to the Board of Directors for the review and consideration.
- At the Board's request, the Maintenance Committee made additional requests to vendors for bids for the repair work necessary to the erosion damage to the drainage channel at the north end and east side of Gloria View Court. No other vendors were willing to bid on the work based on its scope (too large for some) and location (didn't want to come from Tucson). As a result the Maintenance Committee recommends the work be awarded to FMR Construction who previously satisfactorily completed the rock work on the slopes along Camino del Sol.

This expenditure will be brought before the new board at their meeting in March.

- Jim Steffan and Lillie Hill have agreed to become a members of the Maintenance Committee.
- The next Maintenance Committee meeting is currently scheduled for Feb 26, 2008 at 9 am at the Desert Hills Recreation Center.

**“Attachment G”
Draft Rule for Common Area Tree Removal**

Presented to the Board 2-4-2008

COMMON AREA TREES AND OTHER VEGETATION

1. Each year the Maintenance Committee, acting in consultation with the Association’s arborist or other consultant, will evaluate the trees and other vegetation located in the Common Areas to determine which trees or other vegetation must be pruned or removed.
2. After such determination is made, the Maintenance Committee will obtain estimates of the approximate cost of pruning or removing such trees and other vegetation and advise the Board of such amount.
3. If an Owner wants a tree or other vegetation pruned or removed which is not scheduled for pruning or removal during the year in which the request is made, the Owner must make a written request to the Maintenance Committee according to the following procedure:
 - A. An Owner (requesting party) may request removal of a tree that is located on a common area, is obstructing the rear view from the requesting party’s property, and is located within 25 yards (75 feet) of the perimeter of the requesting party's property.
 - B. The requesting party must complete and submit the attached form requesting removal of a common area tree to the Maintenance Committee.
 - C. Removal of the tree does not threaten serious erosion of the surrounding terrain.
 - D. The requesting party must obtain written concurrence for the removal of the tree in question from the owners of those lots that might be impacted by its removal. Impacted lots are those that have an unobstructed view of the tree and the tree is located within 25 yards (75 feet) of any side of their lot.
4. If the Maintenance Committee determines the Owner's request complies with the procedure for removal of a common area tree and that the common areas will not be adversely affected by the requested action it will so advise the Owner in writing who may then proceed with the work at his sole expense according to the following tree removal guidelines: (TBD)