

San Ignacio Vistas, Inc.
Homeowners Association
Minutes Board Meeting
April 6, 2009
Approved by the Board May 4, 2009

Board: Marianne Bishop, Bob Christensen, Ed Eick, and Delores Leavitt
Homeowners: Jerry Larsen and Jerry LeTendre

The meeting was called to order at 9 AM with a quorum of the board present and proceeded using the agenda as distributed.

1. CONSIDER MEETING MINUTES

A MOTION was MADE by Delores Leavitt, which was SECONDED and unanimously PASSED approving the minutes of the March 9, 2009 meeting as distributed for review.

A MOTION was MADE by Delores Leavitt, which was SECONDED and unanimously PASSED approving the minutes of the Executive Session of the Board held March 9, 2009.

2. FINANCIAL REPORT

A MOTION was MADE by Ed Eick, SECONDED and unanimously PASSED approving the Treasurer's Report, three months ending March 31, 2009 subject to Audit (**Attachment A**).

The CD matured on 3-20-09 and \$15,064.99 was deposited into the Money Market at Compass Bank on 3-30-09.

The Secretary has enrolled in EFTPS (electronic Federal Tax Payment system) in order to make the Federal estimated tax payments. The 1st quarterly payment of \$76.00 due 4-15-09 has been scheduled to be withdrawn from the Compass checking account on 4-13-09.

The 2009 Annual Report for the State of Arizona Corporation Commission was e-filed on 4-5-09.

A MOTION was MADE by Marianne Bishop, which was SECONDED and unanimously PASSED to approve using the Bill Pay feature of Compass checking to generate the monthly payment for contract services with Santa Rita Landscaping and Reliable Secretary Service.

3. OFFICER'S REPORTS

A. Secretary

Lillie Hill submitted a resignation from both the board and the Maintenance Committee because of her health. The Secretary contacted the chair of the MC for recommendation for to serve the balance of Lillie's term on the board as a representative to the committee.

Jerry Larsen submitted his resignation from the Architectural Committee.

Three properties set to close: Lot 123 on 4-6-09; Lot 153 on 4-22-09 and Lot 181 on 5-7-09.

A complaint regarding two homeowners cars that are being parked in the common area parking bays was directed to the Maintenance Committee for their follow-up.

B. President

A MOTION was MADE by Bob Christensen, which was SECONDED and unanimously PASSED appointing Marianne Bishop and Bob Christensen to serve on the Architectural Committee, along with Ed Eick, who continues as Board Liaison, until the earlier of the finding of replacements or September 30, 2009

A MOTION was MADE by Bob Christensen, which was SECONDED and unanimously PASSED requesting the Architectural Committee to prepare a written handbook setting forth the full range of committee policies and procedures and our rules and regulations for presentation to the Board at its September meeting. Neither the handbook nor any of its addenda shall have any force unless and until they are properly considered and approved by the Board. New or amended rules will not take full effect until sixty days after Board approval.

A MOTION was MADE by Bob Christensen, which was SECONDED and unanimously PASSED requesting the Architectural Committee to develop a manual containing useful guidelines for plantings in San Ignacio Vistas.

A MOTION was MADE by Bob Christensen, ratifying the removal of Jerry LeTendre from the Architectural Committee on March 15, 2009. Passed: 3 yes, 1 no (Ed Eick). **Note: This motion was later rescinded when the board reconvened after an Executive Session**

A MOTION was MADE by Bob Christensen, which was SECONDED and unanimously PASSED to amend Article IX of the Bylaws by adding "The Board may appoint the committee chair, but if it does not, then the chair shall be elected by its members" as the next to the last sentence of Section 1.

A MOTION was MADE by Bob Christensen, which was SECONDED and unanimously PASSED to approve the Replacement Reserve and related Plans (Attachment B) as recommended by the Financial Advisory Committee

Ed Eick praised the Committee on the job well done and complimented them on a thorough plan with workable spreadsheets enabling the plan to be updated as circumstances dictate.

A MOTION was MADE by Bob Christensen, which was SECONDED and unanimously PASSED to add six notes to the Internal Audit as proposed by Jack Powers, Chair of the Audit Committee. (Attachment C)

A Motion to amend Article V of the Bylaws (Nomination and Election of Directors) was tabled until the May board meeting.

A document illustrating "Use Easements" (Attachment D) as addressed on pages 6 and 7 of our CC&Rs was presented. This will be used as a document in our reference library as well as being placed on the website.

4. COMMITTEE REPORTS

A. ARCHITECTURAL COMMITTEE – Ed Eick

Minutes of the March 4 meeting are included as Attachment E.

B. MAINTENANCE COMMITTEE

Minutes of the March 11 meeting are included as "Attachment F".

5. OPEN FORUM

6. CONTINUING BUSINESS - none

7. NEW BUSINESS - none

The homeowners that were present departed at 10:10. The board went into Executive Session at Lot 151. The board meeting was reconvened at 11:10.

The Motion to remove Jerry LeTendre from the Architectural Committee was rescinded.

While the homeowners' handbook is being prepared setting forth the full range of committee policies and procedures and our rules and regulations for presentation at the September meeting, the Motion as to the Architectural Committee is modified as follows:

<p>A MOTION was MADE by Bob Christensen, which was SECONDED and unanimously PASSED to disband the current Architectural Committee and to appoint Marianne Bishop, Bob Christensen and Ed Eick to function as the Architectural Committee until September 30, 2009 or until sufficient replacements can be identified.</p>

8. ADJOURNMENT

The meeting was adjourned at 11:12 AM. The next board meeting will held on Monday, May 4, 2009.

Respectfully submitted,

/s/ Marianne Bishop, Secretary

SAN IGNACIO VISTAS, INC.

Statement of Revenue, Expenses and Fund Balances

(Modified Cash Basis)

3 Months Ending March 31, 2009

	Operating Fund		Reserve Fund	Total All Funds
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
Revenue				
Assessments	\$102,600	\$102,263	\$0	\$102,263
Transfer and Document Fees	600	400	0	400
Interest	<u>178</u>	<u>144</u>	<u>1,147</u>	<u>1,291</u>
Total Revenue	<u>\$103,378</u>	<u>\$102,807</u>	<u>\$1,147</u>	<u>\$103,954</u>
Expenses				
Maintenance Expenses	\$3,558	\$3,755	\$19,090	\$22,845
Administrative Expenses	4,556	4,009	0	4,009
Other Expenses	<u>1,973</u>	<u>1,598</u>	<u>21</u>	<u>1,619</u>
Total Expenses	<u>\$10,087</u>	<u>\$9,362</u>	<u>\$19,111</u>	<u>\$28,473</u>
Excess Revenue (Expenses)	\$93,291	\$93,445	-\$17,964	\$75,481
Reserve Allocation To (From)	<u>(46,356)</u>	<u>(40,356)</u>	<u>40,356</u>	<u>0</u>
Net Increase (Decrease) After Allocation	<u>\$46,935</u>	<u>\$53,089</u>	<u>\$22,392</u>	<u>\$75,481</u>
Fund Balances				
Beginning of Year Fund Balance		<u>\$2,321</u>	<u>\$173,038</u>	<u>\$175,359</u>
End of Month Fund Balance		<u>\$55,410</u>	<u>\$195,430</u>	<u>\$250,840</u>

Supplementary Information

The dues assessment for 2009 was \$450 per member. \$90,000 was collected in December and the balance in 2009.

Cash and investments total \$250,840 comprised of \$25,410 (checking & money market) and \$30,000 in CDs in the operating account at Compass Bank and \$10,430 in cash and \$185,000 in investments in the reserve account at Wachovia Securities.

Reserve equity totaled \$759 per member at the beginning of the year and \$857 per member at month end.

To: Board of San Ignacio Vistas, Inc.

From: Financial Advisory Committee

Date: March 23, 2009 (Approved by the Board April 6, 2009)

Subject: Replacement Reserve Plan 2009 – 2014 and Supporting Plans

The Financial Advisory Committee has completed its review of subject Plans and recommends their approval. This serves as a brief outline of each highlighting those elements that are new or different.

1. **Worksheets** for Part 1 & Part 2 of Maintenance Plan (Attachments 1 & 2). The Worksheets note the base cost numbers used, the source of those cost numbers and how they compare with the base cost numbers used in 2008. For the Streets (Part 1) Duane Huff at Sunland was the source and he provided his numbers in early March. Not all of the base cost numbers are up, of those that are higher the most significant is that for Pulverize and Repave which is up 28 % to \$723,144. The Worksheets then inflate the base costs by 3.5% per year. Highlighted (in tan) numbers are then used to build the Maintenance Plan.
2. **Maintenance Plan Part 1** (Attachment 3). This part of the plan deals with only the streets. The plan covers 2009 – 2053. The 45 year timeline permits the inclusion of the *Pulverize and Repave* in 2047, which has a significant impact on the financial requirements of the plan. All costs in the plan are pulled from the corresponding cell in the Worksheet.
 - a. The first overlay is in 2021. Association Reserves, Inc.(ARI), who performed our Reserve Study estimate the useful life of our street surfaces as 20 – 30 years and 2021 is 25 years. Our consultants (Roy Erichsen and Randy Westrate = R&R) would have us overlay in 2024 which is 29 years out. We have elected to continue to use 2021 as we did in the 2008 plan. The useful life of a SAM overlay is 10 – 15 years. We have elected to use 13 years for this plan. The second overlay is in 2034.
 - b. After two overlays the experts agree we shall need to *Pulverize and Repave* our streets (at a pretax cost of \$15 psy in 2009 dollars up from \$13.75 in 2008). This process prepares a much improved base so the newly paved streets will be less prone to cracking and could last another 30 years.

- c. The SAM overlay requires a *Crack Seal* within the preceding year and a *Fog seal* following the overlay (see notes in attached worksheet). Each *Seal Coat* is also preceded by a *Crack Seal*. We have been on a schedule of seal coating every four years (next seal coating is in 2012) and crack sealing every two years. We do not plan to crack seal again until 2012 and then determine if the two year program can be replaced by a four year program.
 - d. The *Crack Repair* program is designed to fix the wider cracks. This in turn will reduce the cost of next crack seal. The conventional program is expensive. Recently our consultants suggested we use the same material we employ in our curb seal program at a much lower cost. This was done in February. We will observe the results over the next two seasons and then decide if we can build those cost savings into our Plan longer term.
 - e. The *Curb Seal* program begun in 2008 was completed this year. The next curb seal is scheduled for 2032.
3. **Maintenance Plan Part 2** (Attachment 4). The various elements of the plan that do not deal with streets are collected on a second spreadsheet (called Part 2) to give them appropriate space for your review.
- a. The need to replace portions of our *curbs and sidewalks* is now placed on seven year intervals. Last year we used fourteen year intervals at the suggestion of R&R but this year they proposed a two step plan in 2012 and 2016 and failed to address our needs beyond those dates. During 2009 we should develop additional references to better monitor base costs and also firm up the timing of repairs or replacement.
 - b. We have added more spacing to the painting of *Culvert Rails* and *Stucco Walls* and postponed the start date. We have also provided for the occasional repair of the Stucco Walls. Experience will determine the best intervals.
 - c. The total annual cost of Parts 1 and 2 is shown to the right.
4. **Funding Plan** (Attachment 5). The right side of this plan identifies the total reserve expenditures for each year. The left side of this plan identifies the money that we will need to fund those expenditures and their sources. The purpose is to demonstrate there will be a sufficiency

of funds to meet our needs throughout the planning period. Significantly and at the suggestion of the Audit Committee we have moved the interest we earn on our reserve balances to the operating fund and reduced the assumed interest we earn to 3% in 2010 and beyond. The 2009 line is estimated actual, including expenditures.

- a. The critical test is 2047, the year we *pulverize and repave* the streets. This plan shows a 4% surplus in reserve fund balances, as compared with the normal 10% contingency for such a project. Eventually we will need to provide for the higher number.
 - b. Once the *pulverize and repave* is completed, this plan becomes obsolete. A new long term plan of 50 – 60 years will be then be necessary in order to properly measure not only maintenance needs over that period but also the related funding requirements.
5. **Replacement Reserve Plan** (Attachment 6). This is the conventional look at our reserves and how they will be employed over the next six years. This proves both the adequacy of our reserves and also the sufficiency of our reserve contribution. Our Plan funds the reserves for each *capital account* over a *rebuild* period. We then show the *reserve balance* for the *capital account* at the beginning of the year, its *fully funded balance* (FFB), the *years to fund* the FFB and the *funds required* in the year indicated to build to the FFB in the given time frame. In some years we fall somewhat short of full funding (highlighted in yellow) and in others we overfund (highlighted in green). Our *funding* is reduced by our *expenditures* yielding the *year end balance*.
- a. Not all of our Capital Accounts will start the year with a balance. This is because we used those balances to fund project in the prior year.
 - b. By far the largest reserve allocation (\$153,589) is for the *overlay* in 2021.
 - c. When fully funded our largest allocation is for the *pulverize and repave* in 2047 of \$723,144. Even though this project is far off it requires the largest funding (\$18,387 in 2009) and will continue to command a large share of our funding for the next 39 years.
 - d. The next largest claim on funding is for the reseal of the streets every four years (\$10,847 in 2009).

(US Dollars)

		Streets (Part1)						
Year		<u>SAM</u> <u>Overlay</u>	<u>Pulverize</u> <u>& Repave</u>	<u>Crack</u> <u>Seal</u>	<u>Seal</u> <u>Coat</u>	<u>Curb</u> <u>Seal</u>	<u>Crack</u> <u>Repair</u>	<u>Street</u> <u>Repair</u>
1	2009	265,254	723,144	9,353	43,389	19,894	4,990	14,597
2	2010	274,538	748,454	9,680	44,908	20,590	5,165	15,108
3	2011	284,147	774,650	10,019	46,479	21,311	5,345	15,637
4	2012	294,092	801,763	10,370	48,106	22,057	5,533	16,184
5	2013	304,385	829,824	10,733	49,790	22,829	5,726	16,750
6	2014	315,039	858,868	11,108	51,533	23,628	5,927	17,337
7	2015	326,065	888,929	11,497	53,336	24,455	6,134	17,943
8	2016	337,477	920,041	11,900	55,203	25,311	6,349	18,571
9	2017	349,289	952,243	12,316	57,135	26,197	6,571	19,221
10	2018	361,514	985,571	12,747	59,135	27,113	6,801	19,894
11	2019	374,167	1,020,066	13,193	61,204	28,062	7,039	20,591
12	2020	387,263	1,055,768	13,655	63,347	29,045	7,285	21,311
13	2021	400,817	1,092,720	14,133	65,564	30,061	7,540	22,057
14	2022	414,846	1,130,965	14,628	67,858	31,113	7,804	22,829
15	2023	429,365	1,170,549	15,140	70,234	32,202	8,077	23,628
16	2024	444,393	1,211,518	15,670	72,692	33,329	8,360	24,455
17	2025	459,947	1,253,922	16,218	75,236	34,496	8,653	25,311
18	2026	476,045	1,297,809	16,786	77,869	35,703	8,955	26,197
19	2027	492,706	1,343,232	17,373	80,595	36,953	9,269	27,114
20	2028	509,951	1,390,245	17,981	83,415	38,246	9,593	28,063
21	2029	527,799	1,438,904	18,610	86,335	39,585	9,929	29,045
22	2030	546,272	1,489,266	19,262	89,357	40,970	10,277	30,062
23	2031	565,392	1,541,390	19,936	92,484	42,404	10,636	31,114
24	2032	585,181	1,595,338	20,634	95,721	43,888	11,009	32,203
25	2033	605,662	1,651,175	21,356	99,071	45,425	11,394	33,330
26	2034	626,860	1,708,966	22,103	102,539	47,014	11,793	34,496
27	2035	648,800	1,768,780	22,877	106,128	48,660	12,205	35,704
28	2036	671,508	1,830,688	23,678	109,842	50,363	12,633	36,953
29	2037	695,011	1,894,762	24,506	113,687	52,126	13,075	38,247
30	2038	719,336	1,961,078	25,364	117,666	53,950	13,532	39,585
31	2039	744,513	2,029,716	26,252	121,784	55,838	14,006	40,971
32	2040	770,571	2,100,756	27,171	126,046	57,793	14,496	42,405
33	2041	797,541	2,174,283	28,122	130,458	59,815	15,003	43,889
34	2042	825,455	2,250,382	29,106	135,024	61,909	15,529	45,425
35	2043	854,346	2,329,146	30,125	139,750	64,076	16,072	47,015
36	2044	884,248	2,410,666	31,179	144,641	66,318	16,635	48,660

Streets (Part1)								
<u>Year</u>	<u>SAM Overlay</u>	<u>Pulverize & Repave</u>	<u>Crack Seal</u>	<u>Seal Coat</u>	<u>Curb Seal</u>	<u>Crack Repair</u>	<u>Street Repair</u>	
37 2045	915,197	2,495,039	32,270	149,704	68,640	17,217	50,364	
38 2046	947,229	2,582,366	33,400	154,943	71,042	17,819	52,126	
39 2047	980,382	2,672,748	34,569	160,366	73,528	18,443	53,951	
40 2048	1,014,695	2,766,295	35,779	165,979	76,102	19,089	55,839	
41 2049	1,050,209	2,863,115	37,031	171,788	78,766	19,757	57,793	
42 2050	1,086,967	2,963,324	38,327	177,801	81,522	20,448	59,816	
43 2051	1,125,011	3,067,040	39,668	184,024	84,376	21,164	61,910	
44 2052	1,164,386	3,174,387	41,057	190,465	87,329	21,905	64,076	
45 2053	1,205,140	3,285,490	42,494	197,131	90,385	22,671	66,319	

Note: *SAM Overlay* base cost in 2009 = \$5.00 psy for the overlay, \$.50 psy for the fog seal or \$5.50 psy x 46,371 square yards = \$255,041 + taxes @ 3.965% = \$265,154. Source Sunland. Compares with \$228,995 in 2008.

Note: *Pulverize and Repave* base cost in 2009 = \$15.00 psy x 46,371 square yards = \$695,565 + taxes @ 3.965% = \$723,144. Source Sunland. Compares with \$566,463 in 2008.

Note: *Crack seal* cost in 2009 = \$.194 psy x 46,371 square yards = \$8,996 + taxes @ 3.965% = \$9,353. Source Sunland. Compares with \$8,904 in 2008.

Note: *Seal Coat* cost in 2009 = \$.90 psy x 46,371 square yards = \$41,734 + taxes @ 3.965% = \$43,389. Source Sunland. Compares with \$38,874 in 2008.

Note: *Curb seal* cost in 2009 = \$1.35 plf x 14,174 linear feet = \$19,135 + taxes @ 3.965% = \$19,894. Source Sunland. Compares with \$19,813 in 2008.

Note: *Crack repair* cost in 2009 = \$6.00 psf x 800 square feet = \$4,800 + taxes @ 3.965% = \$4,990. Source Sunland. Compares with \$5,037 in 2008.

Note: *Street repair* cost in 2009 = \$6.00 psf x 2,340 square feet = \$14,040 + taxes @ 3.965% = \$14,597. Source Sunland. Compares with \$14,734 in 2008.

Note: See Part 2 for balance of Maintenance Plan.

		Curbs, Drainage, Sidewalks, Walls etc. (Part 2)						
		Curb	Sidewalk	Drainage	Culvert	Stucco	Stucco	
Year		Replace	Replace	Channel	Rails	Walls	Repaint	Monuments
1	2009	3,015	3,002	4,159	580	910	1,933	7,000
2	2010	3,121	3,107	4,305	600	942	2,001	7,245
3	2011	3,230	3,216	4,455	621	975	2,071	7,499
4	2012	3,343	3,328	4,611	643	1,009	2,143	7,761
5	2013	3,460	3,445	4,773	666	1,044	2,218	8,033
6	2014	3,581	3,565	4,940	689	1,081	2,296	8,314
7	2015	3,706	3,690	5,112	713	1,119	2,376	8,605
8	2016	3,836	3,819	5,291	738	1,158	2,459	8,906
9	2017	3,970	3,953	5,477	764	1,198	2,545	9,218
10	2018	4,109	4,091	5,668	790	1,240	2,634	9,540
11	2019	4,253	4,235	5,867	818	1,284	2,727	9,874
12	2020	4,402	4,383	6,072	847	1,329	2,822	10,220
13	2021	4,556	4,536	6,285	876	1,375	2,921	10,577
14	2022	4,715	4,695	6,504	907	1,423	3,023	10,948
15	2023	4,880	4,859	6,732	939	1,473	3,129	11,331
16	2024	5,051	5,029	6,968	972	1,525	3,238	11,727
17	2025	5,228	5,205	7,212	1,006	1,578	3,352	12,138
18	2026	5,411	5,388	7,464	1,041	1,633	3,469	12,563
19	2027	5,600	5,576	7,725	1,077	1,690	3,591	13,002
20	2928	5,796	5,771	7,996	1,115	1,749	3,716	13,458
21	2029	5,999	5,973	8,276	1,154	1,811	3,846	13,929
22	2030	6,209	6,182	8,565	1,194	1,874	3,981	14,416
23	2031	6,427	6,399	8,865	1,236	1,940	4,120	14,921
24	2032	6,651	6,623	9,175	1,280	2,008	4,264	15,443
25	2033	6,884	6,855	9,496	1,324	2,078	4,414	15,983
26	2034	7,125	7,094	9,829	1,371	2,151	4,568	16,543
27	2035	7,375	7,343	10,173	1,419	2,226	4,728	17,122
28	2036	7,633	7,600	10,529	1,468	2,304	4,894	17,721
29	2037	7,900	7,866	10,897	1,520	2,384	5,065	18,341
30	2038	8,176	8,141	11,279	1,573	2,468	5,242	18,983
31	2039	8,462	8,426	11,673	1,628	2,554	5,426	19,648
32	2040	8,759	8,721	12,082	1,685	2,644	5,615	20,335
33	2041	9,065	9,026	12,505	1,744	2,736	5,812	21,047
34	2042	9,383	9,342	12,943	1,805	2,832	6,015	21,784
35	2043	9,711	9,669	13,396	1,868	2,931	6,226	22,546
36	2044	10,051	10,007	13,864	1,933	3,034	6,444	23,335

Curbs, Drainage, Sidewalks, Walls etc. (Part 2)								
<u>Year</u>	<u>Curb Replace</u>	<u>Sidewalk Replace</u>	<u>Drainage Channel</u>	<u>Culvert Rails</u>	<u>Stucco Walls</u>	<u>Stucco Repaint</u>	<u>Monuments</u>	
37	2045	10,403	10,358	14,350	2,001	3,140	6,669	24,152
38	2046	10,767	10,720	14,852	2,071	3,250	6,903	24,997
39	2047	11,143	11,095	15,372	2,144	3,363	7,144	25,872
40	2048	11,533	11,484	15,910	2,219	3,481	7,394	26,778
41	2049	11,937	11,886	16,467	2,296	3,603	7,653	27,715
42	2050	12,355	12,302	17,043	2,377	3,729	7,921	28,685
43	2051	12,787	12,732	17,639	2,460	3,860	8,198	29,689
44	2052	13,235	13,178	18,257	2,546	3,995	8,485	30,728
45	2053	13,698	13,639	18,896	2,635	4,134	8,782	31,803

Note: *Curb replace* base cost in 2009 = \$29 plf x 100 linear feet = \$2,900 + taxes @ 3.965% = \$3,015. Source R&R. Compares with \$2,911 in 2008.

Note: *Sidewalk replace* base cost in 2009 = \$11.55 plf x 250 linear feet = \$2,888 + taxes @ 3.965% = \$3,002. Source R&R. Compares with \$3,005.

Note: *Drainage Channel* base cost in 2009 = \$20 psf x 200 square feet = \$4,000 + taxes @ 3.965% = \$4,159. No change.

Note: *Culvert Rails repainting* base cost in 2009 = \$1.50 plf x 371 linear feet = \$557 + taxes @ 3.965% = \$580. No change.

Note: *Stucco Wall repair* base cost in 2009 = \$7.00 psf x 125 square feet = \$875 + taxes @ 3.965% = \$910. Compares with \$867 in 2008.

Note: *Stucco Wall and monument repaint* base cost in 2009 = \$1.20 psf x 1,550 square feet = \$1,860 + taxes @ 3.965% = \$1,933. Compares with \$1,854 in 2008.

Note: *Monument signage* base cost in 2009 = \$7,000. No change.

		Streets (Part1)							
<u>Year</u>	<u>SAM</u>	<u>Pulverize</u>	<u>Crack</u>	<u>Seal</u>	<u>Curb</u>	<u>Crack</u>	<u>Street</u>	<u>Total</u>	
	<u>Overlay</u>	<u>& Repave</u>	<u>Seal</u>	<u>Coat</u>	<u>Seal</u>	<u>Repair</u>	<u>Repair</u>		
1	2009		5,820		13,270	0		19,090	
2	2010							0	
3	2011							0	
4	2012		7,778	48,106		5,533		61,417	
5	2013						16,750	16,750	
6	2014		11,108					11,108	
7	2015							0	
8	2016		8,925	55,203		6,349		70,477	
9	2017							0	
10	2018		12,747					12,747	
11	2019						10,296	10,296	
12	2020		10,241			7,285		17,526	
13	2021	400,817						400,817	
14	2022							0	
15	2023							0	
16	2024							0	
17	2025						25,311	25,311	
18	2026		16,786	77,869				94,655	
19	2027							0	
20	2028		13,486					13,486	
21	2029					9,929		9,929	
22	2030		19,262	89,357				108,619	
23	2031						15,557	15,557	
24	2032		20,634		43,888			64,522	
25	2033					11,394		11,394	
26	2034	626,860	16,577					643,437	
27	2035							0	
28	2036							0	
29	2037						38,247	38,247	
30	2038							0	
31	2039		26,252	121,784				148,036	
32	2040							0	
33	2041		21,092					21,092	
34	2042					15,529		15,529	
35	2043		30,125	139,750			23,508	193,383	
36	2044							0	

		Streets (Part1)							
<u>Year</u>	<u>SAM Overlay</u>	<u>Pulverize & Repave</u>	<u>Crack Seal</u>	<u>Seal Coat</u>	<u>Curb Seal</u>	<u>Crack Repair</u>	<u>Street Repair</u>	<u>Total</u>	
37	2045		32,270					32,270	
38	2046							0	
39	2047	2,672,748						2,672,748	
40	2048							0	
41	2049							0	
42	2050							0	
43	2051							0	
44	2052		41,057	190,465				231,522	
45	2053								

Note: *SAM Overlays* are scheduled for 2021 and 2034. Streets are 25 years old in 2021 (estimated life of streets is 20 - 30 years). The second overlay is 13 years later (estimated life of overlays is 10 - 15 years). Six months after the overlay a Fog Seal is applied. SAM overlay cost \$5.00 psy and the Fog Seal \$.50 psy in 2009 or \$5.50 psy before taxes of 3.965%.

Note: Thirteen years after the second overlay the streets are scheduled for replacement using a *Pulverize and Repave* process. Cost in 2009 is \$15 psy or \$15.595 psy with taxes. The estimated life of this process is 20 - 30 years.

Note: Five years after an overlay or repave the cracks are sealed (*Crack Seal*) and the streets are seal coated (*Seal Coat*). Cracks are sealed every two years and the streets are resealed every four years thereafter. Crack sealing cost including taxes is \$.20169 psy and seal coating cost with taxes is \$.933 psy in 2009.

Note: *Curb seal* is required about 12 years after initial paving and perhaps again about 20 - 25 years later. Cost including taxes in 2009 is \$1.40 plf.

Note: *Crack repair* is scheduled for 2012, 2016, 2020, 2029, 2033 and 2042. Cost including taxes in 2009 is \$6.238 psf. Repair of cracks will initially reduce subsequent material cost for crack seal by 25%. B21

Note: *Street repair* may be necessary but is almost never planned. Here we set aside a contingency for repairs based on a cost including taxes in 2009 of \$6.238 psf for a repair of 2,340 sf in 2013, 2025 and 2037 and for a repair of 1,170 sf in 2019, 2031 and 2043.

Note: See Part 2 for balance of Maintenance Plan.

		<u>Curbs, Drainage, Sidewalks, Walls etc. (Part 2)</u>					<u>Total</u>	<u>Total</u>	
<u>Year</u>		<u>Replace</u>	<u>Replace</u>	<u>Channel</u>	<u>Rails</u>	<u>Walls</u>	<u>Monuments</u>	<u>Part 1</u>	<u>Part 1 & 2</u>
1	2009							19,090	19,090
2	2010							0	0
3	2011	3,230	3,216					0	6,446
4	2012			4,611	643	3,152		61,417	69,823
5	2013							16,750	16,750
6	2014							11,108	11,108
7	2015						8,605	0	8,605
8	2016							70,477	70,477
9	2017			5,477				0	5,477
10	2018	4,109	4,091					12,747	20,947
11	2019							10,296	10,296
12	2020							17,526	17,526
13	2021							400,817	400,817
14	2022			6,504		1,423		0	7,927
15	2023							0	0
16	2024							0	0
17	2025	5,228	5,205					25,311	35,744
18	2026							94,655	94,655
19	2027			7,725		3,591		0	11,316
20	2028				1,115			13,486	14,601
21	2029							9,929	9,929
22	2030							108,619	108,619
23	2031							15,557	15,557
24	2032	6,651	6,623	9,175		2,008		64,522	88,979
25	2033						15,983	11,394	27,377
26	2034							643,437	643,437
27	2035							0	0
28	2036							0	0
29	2037			10,897				38,247	49,144
30	2038							0	0
31	2039	8,462	8,426					148,036	164,924
32	2040							0	0
33	2041							21,092	21,092
34	2042			12,943		8,847		15,529	37,319
35	2043							193,383	193,383
36	2044				1,933			0	1,933

		<u>Curbs, Drainage, Sidewalks, Walls etc. (Part 2)</u>					<u>Total</u>	<u>Total</u>
<u>Year</u>		<u>Replace</u>	<u>Replace</u>	<u>Channel</u>	<u>Rails</u>	<u>Monuments</u>	<u>Part 1</u>	<u>Part 1 & 2</u>
37	2045						32,270	32,270
38	2046	10,767	10,720				0	21,487
39	2047			15,372			2,672,748	2,688,120
40	2048						0	0
41	2049						0	0
42	2050						0	0
43	2051					29,689	0	29,689
44	2052			18,257		3,995	231,522	253,774
45	2053						0	0

Note: We will begin to replace severely cracked *curbs* and *sidewalks* in 2011 and in 7 year intervals thereafter. Cost including taxes in 2009 is \$30.15 plf for curbs and \$12 plf for sidewalks.

Note: *Drainage channels* will need repair and it is assumed here the repairs will occur in 2012 and then every five years thereafter. Cost including taxes in 2009 is \$20.793 psf.

Note: *Culvert rails* require repainting in sixteen year intervals starting in 2012. Cost including taxes in 2009 is \$1.56 plf.

Note: *Stucco walls*, including retaining walls and monuments, require repainting in fifteen year intervals starting in 2011. Cost including taxes in 2009 is \$1.24 psf. The walls may also need repair at a 2009 cost including taxes of \$7.28 psf beginning in 2012 and in ten year intervals thereafter.

Note: *Monuments* will need new signage from time to time.

Note: The *total for Part 1* (Streets) is shown again here and then the total for both *Part 1 and Part 2*. This total is then carried over to the Funding Plan (third column from the right).

Funding Plan
(US Dollars)

Year	Opening Balance	Contributions			Expenditures		Ending Balance
		Interest Earned	Reserve Contribution	Total	Reserve Projects		
1 2009	173,038	7,990	46,356	54,346	19,090	208,294	
2 2010	208,294	8,332	43,092	51,424	0	259,718	
3 2011	259,718	10,389	44,600	54,989	6,446	308,261	
4 2012	308,261	12,330	46,161	58,492	69,823	296,929	
5 2013	296,929	11,877	47,777	59,654	16,750	339,833	
6 2014	339,833	13,593	49,449	63,042	11,108	391,768	
7 2015	391,768	15,671	51,180	66,850	8,605	450,013	
8 2016	450,013	18,001	52,971	70,972	70,477	450,508	
9 2017	450,508	18,020	54,825	72,845	5,477	517,876	
10 2018	517,876	20,715	56,744	77,459	20,947	574,388	
11 2019	574,388	22,976	58,730	81,706	10,296	645,798	
12 2020	645,798	25,832	60,786	86,617	17,526	714,889	
13 2021	714,889	28,596	62,913	91,509	400,817	405,581	
14 2022	405,581	16,223	65,115	81,338	7,927	478,992	
15 2023	478,992	19,160	67,394	86,554	0	565,546	
16 2024	565,546	22,622	69,753	92,375	0	657,920	
17 2025	657,920	26,317	72,194	98,511	35,744	720,687	
18 2026	720,687	28,827	74,721	103,548	94,655	729,581	
19 2027	729,581	29,183	77,336	106,519	11,316	824,784	
20 2928	824,784	32,991	80,043	113,034	14,601	923,217	
21 2029	923,217	36,929	82,844	119,773	9,929	1,033,061	
22 2030	1,033,061	41,322	85,744	127,066	108,619	1,051,509	
23 2031	1,051,509	42,060	88,745	130,805	15,557	1,166,757	
24 2032	1,166,757	46,670	91,851	138,521	88,979	1,216,300	

Funding Plan
(US Dollars)

Year	Opening Balance	Contributions			Expenditures		Ending Balance
		Interest Earned	Reserve Contribution	Total	Reserve Projects		
25 2033	1,216,300	48,652	95,066	143,718	27,377	1,332,640	
26 2034	1,332,640	53,306	98,393	151,699	643,437	840,902	
27 2035	840,902	33,636	101,837	135,473	0	976,375	
28 2036	976,375	39,055	105,401	144,456	0	1,120,832	
29 2037	1,120,832	44,833	109,090	153,924	49,144	1,225,611	
30 2038	1,225,611	49,024	112,908	161,933	0	1,387,544	
31 2039	1,387,544	55,502	116,860	172,362	164,924	1,394,982	
32 2040	1,394,982	55,799	120,950	176,750	0	1,571,732	
33 2041	1,571,732	62,869	125,184	188,053	21,092	1,738,693	
34 2042	1,738,693	69,548	129,565	199,113	37,319	1,900,486	
35 2043	1,900,486	76,019	134,100	210,119	193,383	1,917,223	
36 2044	1,917,223	76,689	138,793	215,482	1,933	2,130,772	
37 2045	2,130,772	85,231	143,651	228,882	32,270	2,327,384	
38 2046	2,327,384	93,095	148,679	241,774	21,487	2,547,671	
39 2047	2,547,671	101,907	153,883	255,789	2,688,120	115,340	
40 2048							
41 2049							
42 2050	Following the repaving of our streets in 2047 a new long term Maintenance Plan						
43 2051	will need to be developed and with it a new long term Funding Plan.						
44 2052							
45 2053							

Note: Assumed *interest earned* is 4% of *opening balance* of reserve funds. This is down from our 2008 assumption because interest rate levels have decreased dramatically.

Note: Assumes *Reserve Contribution* of \$203 per household in 2009, \$189 in 2010 and then increasing by 3.5% per year thereafter.

Note: *Reserve project* expenses are taken from Maintenance Plan Part 1 and 2 (see Part 2 for total).

2009									
Capital Account	Expected Life	Rebuild	12/31/2008 Balance	Full Funded Balance	Years to Fund	Funding Required	2009 Funding	2009 Expense	12/31/2009 Balance
Curb & Sidewalk - Replace	TBD	7 years	\$1,479	\$6,017	3	\$1,513	\$1,513	\$0	\$2,992
Drainage Channels - Repair	TBD	5 years	\$0	\$4,159	4	\$1,040	\$1,040	\$0	\$1,040
Monuments	TBD	18 years	\$0	\$7,000	7	\$1,000	\$1,000	\$0	\$1,000
Rails and Stucco Walls	TBD	various	\$970	\$3,423	4	\$613	\$613	\$0	\$1,583
Streets - Crack Repair	TBD	various	\$2,680	\$4,990	4	\$578	\$578	\$0	\$3,258
Streets - Crack Seal	2 years	2 years	\$5,820	\$5,820	1	\$0	\$0	\$5,820	\$0
Streets - Curb Seal	TBD	23 years	\$0	\$13,270	1	\$13,270	\$13,270	\$13,270	\$0
Streets - Overlay	10-15 yrs	13 years	\$153,589	\$265,254	13	\$8,590	\$4,670	\$0	\$158,259
Streets - Repair	TBD	6 years	\$2,456	\$14,597	5	\$2,428	\$2,428	\$0	\$4,884
Streets - Pulverize/Repave	20-30 yrs	40 years	\$6,044	\$723,144	39	\$18,387	\$18,387	\$0	\$24,431
Streets - Reseal	4 years	4 years	\$0	\$43,389	4	\$10,847	\$10,847	\$0	\$10,847
Total Reserves			\$173,038	\$1,091,063		\$58,265	\$54,346	\$19,090	\$208,294

2010									
Capital Account	Expected Life	Rebuild	12/31/2009 Balance	Full Funded Balance	Years to Fund	Funding Required	2010 Funding	2010 Expense	12/31/2010 Balance
Curb & Sidewalk - Replace	TBD	7 years	\$2,992	\$6,228	2	\$1,618	\$1,618	\$0	\$4,610
Drainage Channels - Repair	TBD	5 years	\$1,040	\$4,305	3	\$1,088	\$1,088	\$0	\$2,128
Monuments	TBD	18 years	\$1,000	\$7,245	6	\$1,041	\$1,041	\$0	\$2,041
Rails and Stucco Walls	TBD	various	\$1,583	\$3,543	3	\$653	\$653	\$0	\$2,236
Streets - Crack Repair	TBD	various	\$3,258	\$5,165	3	\$636	\$636	\$0	\$3,893
Streets - Crack Seal	2 years	2 years	\$0	\$7,260	3	\$2,420	\$2,420	\$0	\$2,420
Streets - Curb Seal	TBD	23 years	\$0	\$20,590	22	\$6,975	\$6,975	\$0	\$6,975
Streets - Overlay	10-15 yrs	13 years	\$158,259	\$274,538	12	\$9,690	\$4,030	\$0	\$162,289
Streets - Pulverize/Repave	20-30 yrs	40 years	\$24,431	\$748,454	38	\$19,053	\$19,053	\$0	\$43,484
Streets - Repair	TBD	6 years	\$4,884	\$15,108	4	\$2,556	\$2,556	\$0	\$7,440
Streets - Reseal	4 years	4 years	\$10,847	\$44,908	3	\$11,353	\$11,353	\$0	\$22,201
Total Reserves			\$208,294	\$1,137,342		\$57,083	\$51,424	\$0	\$259,717

2011									
Capital Account	Expected Life	Rebuild	12/31/2010 Balance	Full Funded Balance	Years to Fund	Funding Required	2011 Funding	2011 Expense	12/31/2011 Balance
Curb & Sidewalk - Replace	TBD	7 years	\$4,610	\$6,446	1	\$1,836	\$1,836	\$6,446	\$0
Drainage Channels - Repair	TBD	5 years	\$2,128	\$4,455	2	\$1,164	\$1,164	\$0	\$3,292
Monuments	TBD	18 years	\$2,041	\$7,499	5	\$1,092	\$1,092	\$0	\$3,132
Rails and Stucco Walls	TBD	various	\$2,236	\$3,667	2	\$715	\$715	\$0	\$2,952
Streets - Crack Repair	TBD	various	\$3,893	\$5,345	2	\$726	\$726	\$0	\$4,619
Streets - Crack Seal	2 years	2 years	\$2,420	\$7,514	2	\$2,547	\$2,547	\$0	\$4,967
Streets - Curb Seal	TBD	22 years	\$6,975	\$21,311	21	\$683	\$683	\$0	\$7,658
Streets - Overlay	10-15 yrs	13 years	\$162,289	\$284,147	11	\$11,078	\$11,594	\$0	\$173,883
Streets - Pulverize/Repave	20-30 yrs	40 years	\$43,484	\$774,650	37	\$19,761	\$19,761	\$0	\$63,246
Streets - Repair	TBD	6 years	\$7,440	\$15,637	3	\$2,732	\$2,732	\$0	\$10,172
Streets - Reseal	4 years	4 years	\$22,201	\$46,479	2	\$12,139	\$12,139	\$0	\$34,340
Total Reserves			\$259,717	\$1,177,149		\$54,473	\$54,989	\$6,446	\$308,260

2012									
Capital Account	Expected Life	Rebuild	12/31/2011 Balance	Full Funded Balance	Years to Fund	Funding Required	2012 Funding	2012 Expense	12/31/2012 Balance
Curb & Sidewalk - Replace	TBD	7 years	\$0	\$6,671	7	\$953	\$953	\$0	\$953
Drainage Channels - Repair	TBD	5 years	\$3,292	\$4,611	1	\$1,320	\$1,320	\$4,611	\$0
Monuments	TBD	18 years	\$3,132	\$7,761	4	\$1,157	\$1,157	\$0	\$4,290
Rails and Stucco Walls	TBD	various	\$2,952	\$3,795	1	\$844	\$844	\$3,795	\$0
Streets - Crack Repair	TBD	various	\$4,619	\$5,533	1	\$913	\$913	\$5,533	\$0
Streets - Crack Seal	2 years	2 years	\$4,967	\$7,778	1	\$2,811	\$2,811	\$7,778	\$0
Streets - Curb Seal	TBD	22 years	\$7,658	\$22,057	20	\$720	\$720	\$0	\$8,378
Streets - Overlay	10-15 yrs	13 years	\$173,883	\$294,092	10	\$12,021	\$12,488	\$0	\$186,371
Streets - Pulverize/Repave	20-30 yrs	40 years	\$63,246	\$801,763	36	\$20,514	\$20,514	\$0	\$83,760
Streets - Repair	TBD	6 years	\$10,172	\$16,184	2	\$3,006	\$3,006	\$0	\$13,178
Streets - Reseal	4 years	4 years	\$34,340	\$48,106	1	\$13,766	\$13,766	\$48,106	\$0
Total Reserves			\$308,260	\$1,218,350		\$58,025	\$58,492	\$69,823	\$296,929

2013									
Capital Account	Expected Life	Rebuild	12/31/2012 Balance	Full Funded Balance	Years to Fund	Funding Required	2013 Funding	2013 Expense	12/31/2013 Balance
Curb & Sidewalk - Replace	TBD	7 years	\$953	\$6,905	6	\$992	\$992	\$0	\$1,945
Drainage Channels - Repair	TBD	5 years	\$0	\$4,773	5	\$954	\$954	\$0	\$955
Monuments	TBD	18 years	\$4,290	\$8,033	3	\$1,248	\$1,248	\$0	\$5,537
Rails and Stucco Walls	TBD	various	\$0	\$3,928	10	\$393	\$393	\$0	\$393
Streets - Crack Repair	TBD	various	\$0	\$5,726	4	\$1,432	\$1,432	\$0	\$1,431
Streets - Crack Seal	2 years	2 years	\$0	\$10,733	2	\$5,367	\$5,367	\$0	\$5,367
Streets - Curb Seal	TBD	22 years	\$8,378	\$22,829	19	\$761	\$761	\$0	\$9,138
Streets - Overlay	10-15 yrs	13 years	\$186,371	\$304,385	9	\$13,113	\$11,172	\$0	\$197,543
Streets - Pulverize/Repave	20-30 yrs	40 years	\$83,760	\$829,824	35	\$21,316	\$21,316	\$0	\$105,076
Streets - Repair	TBD	6 years	\$13,178	\$16,750	1	\$3,572	\$3,572	\$16,750	\$0
Streets - Reseal	4 years	4 years	\$0	\$49,790	4	\$12,447	\$12,447	\$0	\$12,448
Total Reserves			\$296,929	\$1,263,675		\$61,594	\$59,654	\$16,750	\$339,832

2014									
Capital Account	Expected Life	Rebuild	12/31/2013 Balance	Full Funded Balance	Years to Fund	Funding Required	2014 Funding	2014 Expense	12/31/2014 Balance
Curb & Sidewalk - Replace	TBD	7 years	\$1,945	\$7,146	5	\$1,040	\$1,040	\$0	\$2,985
Drainage Channels - Repair	TBD	5 years	\$955	\$4,940	4	\$996	\$996	\$0	\$1,951
Monuments	TBD	18 years	\$5,537	\$8,314	2	\$1,388	\$1,388	\$0	\$6,926
Rails and Stucco Walls	TBD	various	\$393	\$4,065	9	\$408	\$408	\$0	\$801
Streets - Crack Repair	TBD	various	\$1,431	\$5,927	3	\$1,498	\$1,498	\$0	\$2,930
Streets - Crack Seal	2 years	2 years	\$5,367	\$11,108	1	\$5,742	\$5,742	\$11,108	\$0
Streets - Curb Seal	TBD	22 years	\$9,138	\$23,627	18	\$805	\$805	\$0	\$9,943
Streets - Overlay	10-15 yrs	13 years	\$197,543	\$315,039	8	\$14,687	\$12,498	\$0	\$210,041
Streets - Pulverize/Repave	20-30 yrs	40 years	\$105,076	\$858,868	34	\$22,170	\$22,170	\$0	\$127,246
Streets - Repair	TBD	6 years	\$0	\$17,337	5	\$3,467	\$3,467	\$0	\$3,468
Streets - Reseal	4 years	4 years	\$12,448	\$51,533	3	\$13,028	\$13,028	\$0	\$25,476
Total Reserves			\$339,832	\$1,307,903		\$65,231	\$63,042	\$11,108	\$391,766

**San Ignacio Vistas, Inc.
Notes to Financial Statements
December 31, 2008 and 2009**

1. ORGANIZATION

San Ignacio Vistas, Inc. (the Association) is incorporated as a non-profit corporation under Arizona law. The duration of its existence is perpetual. The purpose of the Association is to promote the health, safety and welfare of its Members and to provide for architectural control of the 228 Lots comprising the subdivision and maintenance and preservation of the Common Areas (roads, curbs, drainage-ways and greenbelt areas).

The Association is governed by the Declaration of Establishment of Covenants, Conditions and Restrictions (CC&Rs) as they may be amended by the Members from time-to-time.

As a Homeowners Association, SIV is considered a Common Interest Realty Association for accounting and financial reporting purposes.

2. BASIS OF ACCOUNTING

The financial statements are prepared on a modified cash basis of accounting. Under this method, transactions are generally reported at the time cash is received or disbursed. The primary exception relates to member annual assessments, a substantial portion of which are collected by December 31 for the following fiscal year. In the year-end financial statements such amounts are classified as "assessments received in advance" and recognized as revenue in the fiscal year for which they are budgeted.

3. FUND ACCOUNTING

The Association utilizes an Operating Fund and Reserve Fund to account for its financial transactions. The Reserve Fund is designated for future major maintenance, repairs and replacements of Common Areas pursuant to the CC&Rs. Substantially all other resources and expenditures are recorded in the Operating Fund.

Cash and investments resulting from transfers from the Operating Fund are accumulated in the Reserve Fund and generally are not available for normal operations. Periodically the Board engages independent specialist consultants to perform a study of the estimated remaining useful lives and the estimated replacement costs of the components of the Common Areas.

Actual expenditures and investment income may vary from the estimated amounts, and the variations may be material. Therefore, amounts accumulated in the Reserve Fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the authority under the CC&Rs, subject to membership approval, to levy special assessments, or delay major repairs and replacements until sufficient funds are available.

4. FIXED ASSETS

As permitted by industry practice, the Association has elected not to recognize as assets in its financial statements the Common Areas which it owns.

5. INCOME TAXES

The Association is subject to federal and state income taxes based generally on its net investment income. Income and expenses attributable to "exempt functions" (members' assessments and operating expenses as well as repairs, maintenance and replacements of the Common Areas) are generally excluded in the computation of taxable income. It is the Board's policy to allocate income taxes to the Operating Fund.

6. CASH AND INVESTMENTS

Cash includes \$2,321 (\$3,023 at 12/31/2007) in the operating checking account and \$90,000 (\$78,540 at 12/31/2007) of assessments received in advance. Both accounts are at Compass Bank. An additional \$28,038 (\$20,382 at 12/31/2007) was in the Wachovia Securities (AG Edwards at 12/31/2007) Money Market Account.

Investments of \$145,000 (\$165,000 at 12/31/2007) include \$120,000 of CDs maturing in 2011 yielding approximately 4.9% and \$20,000 of FHLMC notes maturing in 2018 yielding 4.25%. A \$20,000 CD matured in July 2008. Investments are carried at cost, which approximates current value.

San Ignacio Vistas, Inc.
Homeowners Association
P.O. Box 1150
Green Valley, AZ 85622-1150

PHONE: 520-625-4924

FAX: 520-625-5166

May 2, 2009

Re: Use Easements

Generally our lot lines either run to the sidewalk in front, to those of a neighbor on either side and perhaps to the common area in the rear. Along the side and rear lot lines there is a wall sometimes referred to as a "patio wall".

But this is not always the case. For some their lot line extends beyond their patio wall. These situations are addressed on pages 6 and 7 of our CC&Rs. The purpose of this memo and the four diagrams that are attached is to provide a summary of those provisions for those who might not want to dig out of the CC&Rs the same information.

For purposes of this discussion we shall assume we are the owner of Lot B. In three of the four diagrams we find that our lot line is outside our patio wall. In the fourth our neighbor's lot line is inside our patio wall. We will discuss each in turn.

Our first situation is set out in Diagram 1. This is an instance where the builder decided to build a portion of our patio wall on the lot of our neighbor, the owner of Lot A. This parcel is highlighted yellow in the diagram. The wall effectively prevents our neighbor access for the purposes of maintaining this parcel without crossing our property. To ensure proper maintenance and avoid possible disagreements over landscaping and access rights our CC&Rs grants us, the owner of Lot B a "use easement". This means we are solely responsible for all landscaping and maintenance of the parcel up to the patio wall that separates our lot from that of our neighbor. Because our lot is in effect expanded we are the beneficiary (lot B) of the fortuitous placement of the wall outside our property line and our neighbor (lot A) is "burdened" since his/her lot is diminished.

In Diagram 2, the situation is reversed. A portion of the patio wall between us and our neighbor, the owner of Lot C, is on our lot (again highlighted in yellow). So we are burdened and Lot C is benefited to use the terminology of the CC&Rs.

In either case there are limitations to the easement. The beneficiary (lot B in the first example, lot C in the second) cannot “improve” the easement with such things as walkways, water effects or patios. Nor can the beneficiary attach equipment or fixtures to the walls (plants are ok). With proper approval (see notes in the diagrams), the beneficiary might be able to place a bench or perhaps a grill on the use easement.

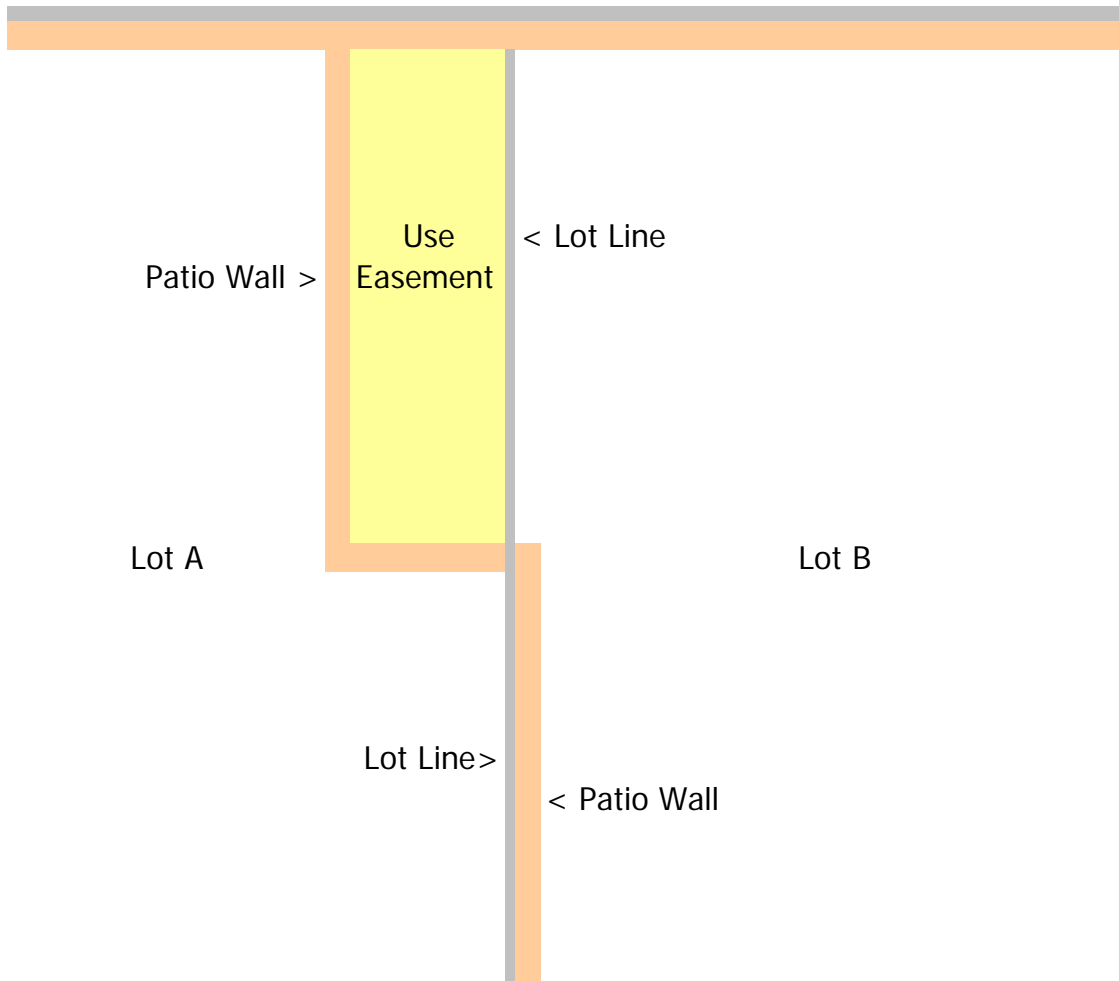
A similar resolution occurs where the portion of our lot line that is outside our patio wall abuts or adjoins the Common Area (highlighted in yellow in Diagram 3). As in the second example this space is burdened with a use easement. The beneficiary in this instance is the Association. As before the beneficiary (the Association) is responsible for all landscaping and maintenance. And, as before, the easement must remain unimproved. But here the CC&Rs go one step further and declare the easement “will be deemed a part of the Common Area for the use and enjoyment of all Owners.” Sometimes this easement is referred to as “uncommon common ground.”

Our final example (see Diagram 4) addresses those situations where the lot line extends beyond the patio wall to the sidewalk, curb or street (highlighted in blue). Because we can access this parcel without crossing the property of another owner (by using the street or sidewalk if necessary) we continue to enjoy all the responsibility for its landscaping and maintenance as if the wall were not there.

One or more disclaimers are in order. First the parcels covered by easement are neither necessarily rectangular in shape nor significant in size. Second nothing should be taken from this memo that is in contradiction with the CC&Rs. If an owner seeks to clarify their easement rights or obligations they should contact Marianne Bishop, the Association Secretary.

Diagram 1

Use Easement where Lot B is "Benefited"



Note: In this example rear yard of Lot B encloses part of Lot A.

Note: Use easement on Lot A (highlighted in yellow) where Lot B is benefitted and Lot A is burdened.

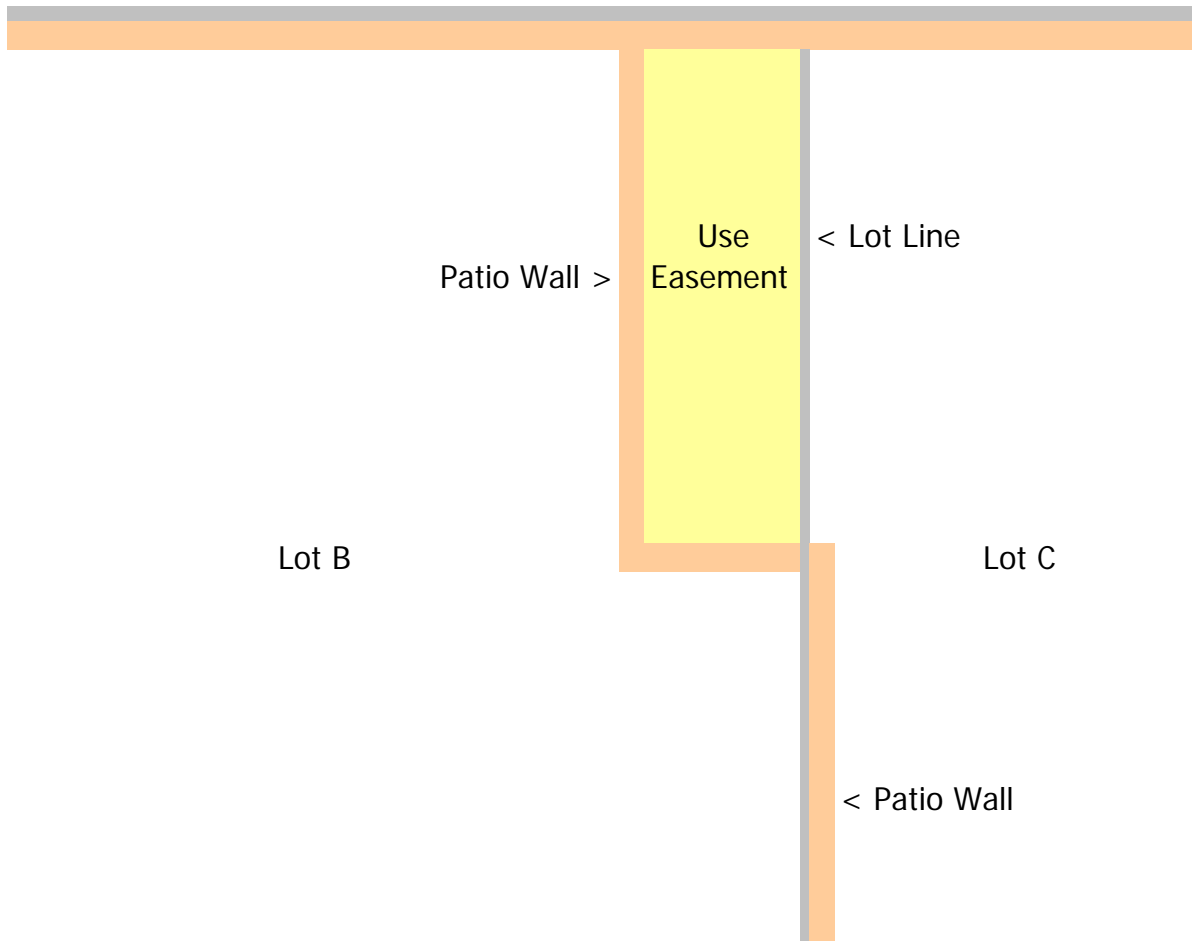
Note: See Section 4.7 (pages 6 -7) of Second Amended and Restated Declaration of Establishment of Covenants, Conditions and Restrictions for San Ignacio Vistas, dated January 23, 2006 for definition of Use Easement.

Note: Section 4.7 states that "each owner benefited" by a use easement "is solely responsible for all landscaping and maintenance related thereto and must keep the easement area in a clean, neat and well-landscaped condition."

Note: Section 4.7 states that the easement area is "intended to free of all Improvements", including walkways or patios, nor "may they attach any equipment or fixtures to said walls". If permitted by Pima County and the Architectural Committee limited structures such as barbecues or benches may be permitted in the easement area.

Diagram 2

Use Easement where Lot B is "Burdened"



Note: In this example rear yard of Lot C encloses part of Lot B.

Note: Use easement on Lot A (highlighted in yellow) where Lot C is benefitted and Lot B is burdened.

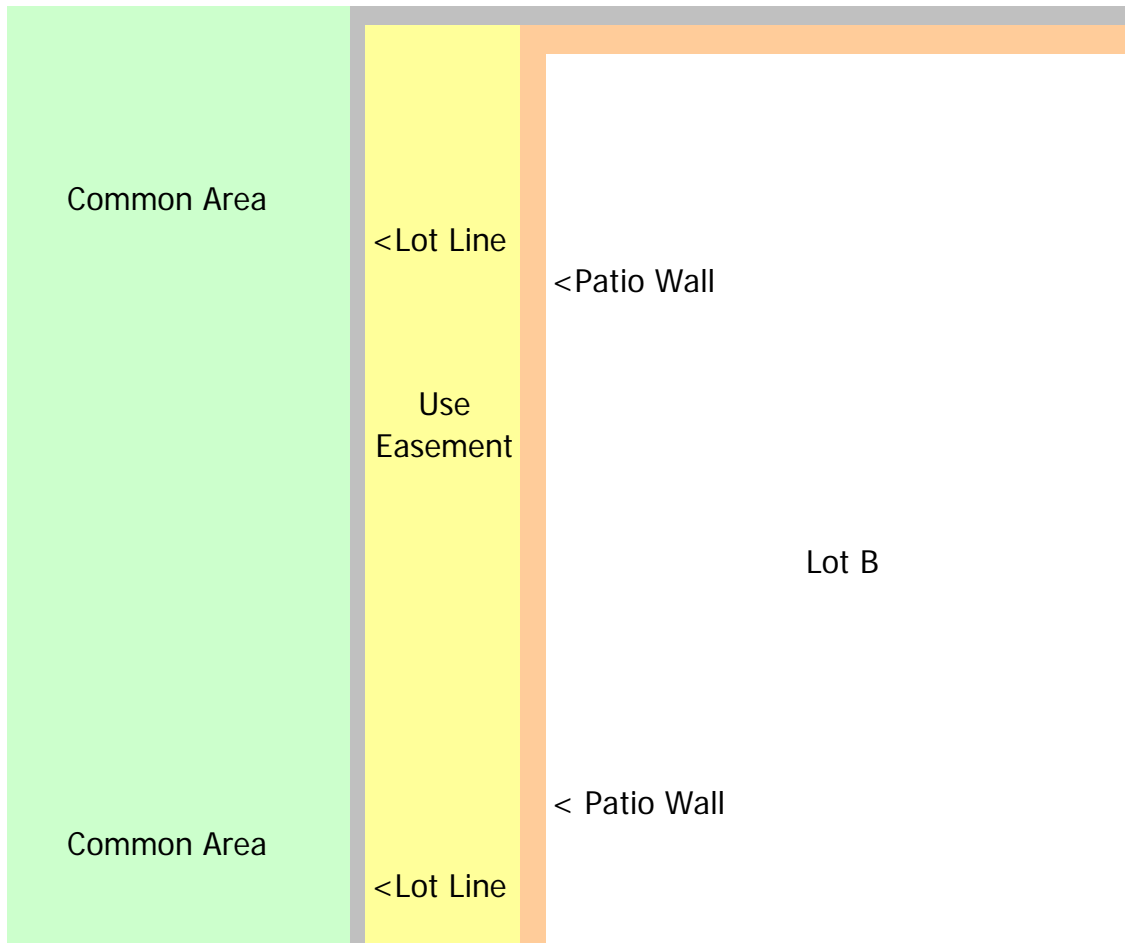
Note: See Section 4.7 (pages 6 -7) of Second Amended and Restated Declaration of Establishment of Covenants, Conditions and Restrictions for San Ignacio Vistas, dated January 23, 2006 for definition of Use Easement.

Note: Section 4.7 states that "each owner benefitted" by a use easement "is solely responsible for all landscaping and maintenance related thereto and must keep the easement area in a clean, neat and well-landscaped condition."

Note: Section 4.7 states that the easement area is "intended to free of all Improvements", including walkways or patios, nor "may they attach any equipment or fixtures to said walls". If permitted by Pima County and the Architectural Committee limited structures such as barbecues or benches may be permitted in the easement area.

Diagram 3

Use Easement where Lot B Abuts Common Area



Note: In this example Common Area encloses part of Lot B.

Note: Use easement on Lot B (highlighted in yellow) where Common Area is benefitted and Lot B is burdened.

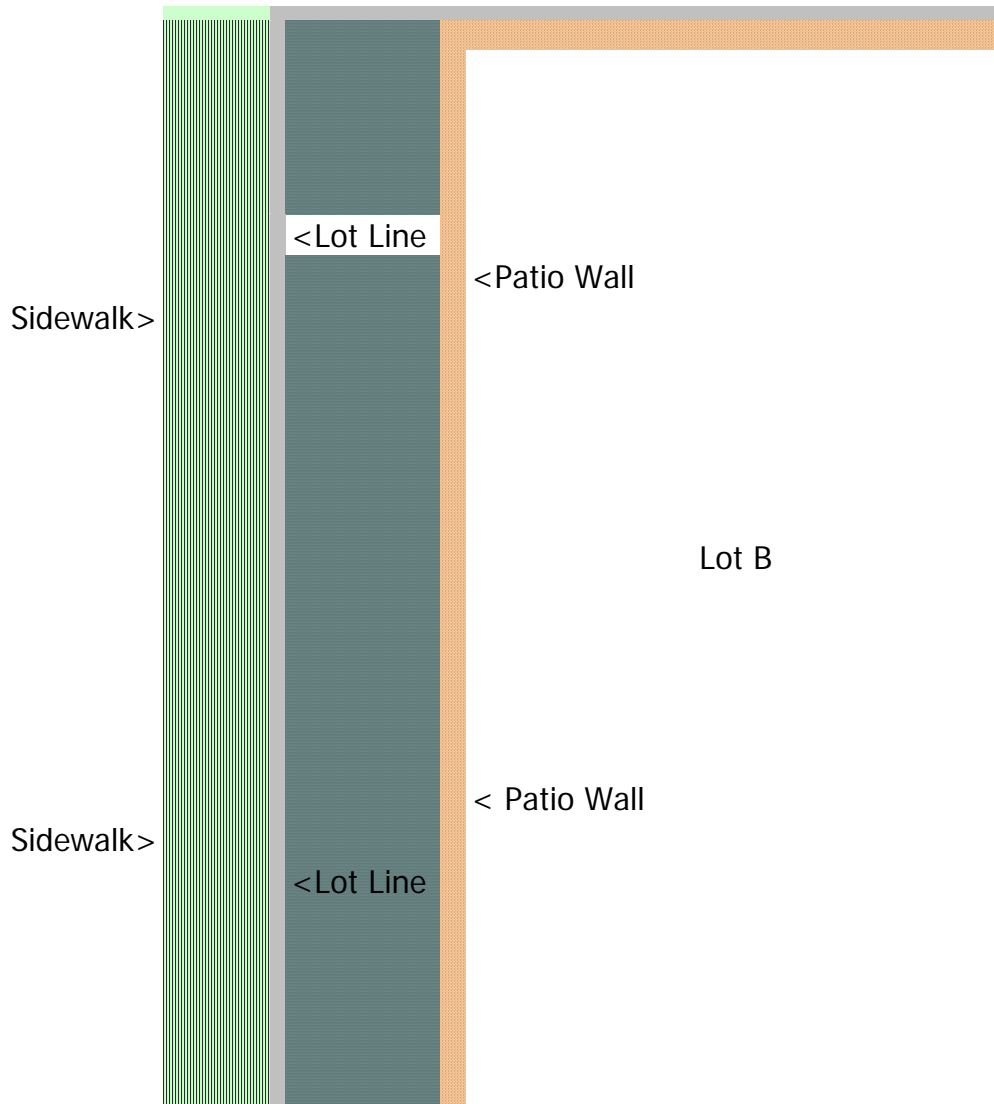
Note: See Section 4.7 (pages 6 -7) of Second Amended and Restated Declaration of Establishment of Covenants, Conditions and Restrictions for San Ignacio Vistas, dated January 23, 2006 for definition of Use Easement.

Note: Section 4.7 states that "Any easement onto a Lot benefiting a Common Area must remain unimproved and will be deemed a part of the Common Area for the use and enjoyment of all Owners."

Note: Section 4.7 also states that each owner benefited (including the Association) by a use easement "is solely responsible for all landscaping and maintenance related thereto and must keep the easement area in a clean, neat and well-landscaped condition."

Diagram 4

Lot B Property Line extends beyond Patio Wall



Note: In this example property line of Lot B extends beyond the Patio Wall to the Sidewalk.

Note: Area between Patio Wall and Sidewalk (highlighted in blue) belongs to Lot B and Lot B is solely responsible for all landscaping and maintenance related thereto and must keep the the area in a clean, neat and well-landscaped condition.

Note: Area is subject to such limitations on improvements, equipment, fixtures and limited structures as might be imposed by Pima County and/or the Architectural Committee.

ARCHITECTURAL COMMITTEE MEETING MINUTES

WEDNESDAY MARCH 4TH 2009

Members in attendance were :

Jerry Larsen, Jerry LeTendre , Don Peterson and Ed Eick.

The purpose of the meeting was to elect the chair person for the committee. Jerry Larsen volunteered to be the chair person and was elected unanimously.

Ed Eick had two requests from homeowners to have sun screen rooms built and attached to the rear of their homes. The question was raised as to whether or not a county building permit would be required. Jerry LeTendre volunteered to contact the county building department to obtain the answer and to inquire of Susan Trecartin of the AC committee whether she would be willing to receive requests for the AC from the SIV-HOA secretary. He would give the requests to her for the required action or report back to the committee chair with urgency that she would not be able to handle them.

There being no further business the meeting was adjourned.

Respectfully submitted:

Jerry Larsen

ATTACHMENT F
SIV MAINTENANCE COMMITTEE MEETING
MARCH 11, 2009

Present: Rob Alstaetter, Jim Chervenka, Lillie Hill, Jane Hilsenhoff, Rick Irvin and Eileen MacLaren

The February minutes were approved.

Rick Irvin advised that the Interior Tree Inventory was completed by Jim Steffen and Rob Alstaetter. It needs to be updated on the spreadsheet and will be ready for distribution by our next meeting on April 8th.

Santa Rita Landscaping continues to be very satisfactory, including the treatment for areas of Bufflegrass. Rick Irvin and Rob Alstaetter will meet with Santa Rita on March 12 to review our common areas and hear any suggestions they might have since they began working on our grounds.

We discussed alternative landscaping plants that require little or no maintenance. We have the beginning of a list and some thoughts on what would work for us. Rick and Rob will explore these options and others with Santa Rita during the March 12 meeting. We are hopeful that a limited test of plantings might be possible yet this spring.

The street maintenance is complete for 2009 and Jim Chervenka will respond with the Maintenance Committee questions on the updated preliminary numbers we reviewed on the reserve analysis. This is in preparation for the Financial Advisory Committee meeting later this month.

It was reported that an errant pickup camper has been parked illegally on the South end of Harvest Moon. Lillie Hill will request a notice from Marianne Bishop to be placed on their window if the camper has not been moved.

Rick Irvin and Ron DeVree inspected the monument on the hillside at the corner of Calle Tres/Frontage Road. It appears to be in excellent shape at this time. It is constructed of either cement blocks or poured concrete and is retaining part of the hill. While nothing needs to be done at this time, Ron has agreed to contact a contractor to determine costs for either improving the appearance or for removal. This will help in budgetary planning with respect to the monument.

The next regular meeting of the maintenance committee is scheduled for April 8 at 3:00 p.m. at the home of Rob Alstaetter.

The meeting was adjourned.

Respectfully submitted,

Lillie Hill