

SONORAN DESERT WILLOW ESTATES
Homeowner Association
Monthly Board of Directors Meeting

Minutes

Location: National Self Storage Lobby
7555 S. Houghton Road, Tucson, AZ 85747

Date & Time: October 20, 2008, 6:30 PM

Executive Session

1. None

Board Meeting

Monthly Meeting called to Order at 6:30 PM

Board Members:

	<u>Position</u>	<u>Present</u>	<u>Absent</u>
Glenn Bohnke	President	X	
Tom Muszynski	Vice President	X	
Karl Walton	Treasurer		X
Bob Rice	Secretary	X	
Ken Moyes	At Large	X*	

* Arrived after the meeting was called to order.

Management Representatives:

Bill Maguire			X
Mike Conroy		X	

Quorum — Three Board Members were present; therefore, a quorum necessary to conduct an official meeting was achieved. (Note: a fourth Board Officer arrived after the meeting was called to order.)

President's Letter

Mr. Bohnke ask those in attendance if they had received a President's Letter. It appeared that those Association Members that pay their dues by automatic charges to a bank account did not receive a President's Letter, and that the mailing list used for the President's Letter was the same as the mailing list used to send quarterly dues notices to the Membership which does not include those Members that have arranged for automatic charges to a bank account.

Mr. Bohnke indicated that the President's Letter contain two very important topics; those being: (1) requesting applications from those who would volunteer to serve on the Board of Directors, and (2) the need to assemble a budget committee. Presently, the budget committee defaults to the Board of Directors, but it is preferable for other Association Members to participate in developing the budget because all are affected and the more input received, the better the budget will represent the desires of the Membership. Mr. Bohnke offered a budget committee sign-up sheet for those that would like to volunteer their participation.

Homeowner Comments (3 minutes per home owner)

1. There were no Homeowner Comments offered.

Minutes of September 2008 Meeting

Mr. Rice moved to approve the minutes of the September, 2008, Monthly Board Meeting. The motion was seconded by Mr. Muszynski and approved by 3 - 0.

Treasurer's Report:

(In the absence of the Treasurer, Mr. Walton, the Treasurer's Report was provided by Mr. Connoy.)

1. Manager's Report on Differences Between Reports Concerning Collections

During the September 15th Board Meeting, Mr. Moyes identified anomalies between financial reports that showed the amount of delinquencies as being about \$6,000 on one report and about \$14,000 on another report. Mr. Connoy had then said that he would review the financial history to resolve this perceived discrepancy. On September 16, 2008, Mr. Connoy sent an email to the Board explaining the anomaly: In December of 2007, dues payments were received for the January-March Quarter of 2008, in the amount of \$12,619.20. These pre-pays were shown as overages for the 2007 accounting year and not properly applied to the 2008 accounting year; thus, creating a sizable negative variance for 2008.

2. Status of the Operating Accounts (as of September 30, 2008)

Assets:	Bank Operating Accounts	\$18,483.17
	Reserve Accounts	<u>\$11,573.25</u>
	Total Assets	\$30,056.42
Liabilities:	Prepaid Assessments	\$ 3,012.39
Reserves:	Reserve Fund	\$11,571.53
Equity:	Retained Earnings	\$16,374.91
	Current Year Net Income (Loss)	<u>(\$ 902.41)</u>
	Total Liabilities and Equity	\$30,056.42

Income for the month totaled \$7,003.60; including, \$6,757.23 in owner assessments, and \$215.00 in late fees and interest.

Expenses for the month totaled of \$9,943.23. This amount included \$362.40 in property taxes, \$639.40 in irrigation water, \$4,575.00 in landscape maintenance costs, \$1,985.30 in landscape improvements, \$2,083.33 in management fees, and other miscellaneous costs.

The reserve contribution for September 2008 was \$395.00.

3. Delinquencies Summary:

	August 2008	September 2008
Delinquent Fees, Total	\$7,584.73	\$6,073.35
Over 30 Days	\$0.00	\$0.00
Over 60 Days	\$4,302.38	\$520.00
Over 90 Days	\$3,282.35	\$5,511.35

Mr. Connoy stated that 12 additional delinquencies will be sent to the attorney for collection on October 21, 2008. This is in addition to the 13 delinquent accounts already at the attorney. Therefore, as of October 21, a total of 25 delinquencies will have been referred to the attorney for collections.

4. Status of Reserve Fund Deposit Plan:

Mr. Connoy reported that \$395 was transferred to Reserves for the month of September and the Year to Date contribution totals \$3,555.00. He further stated that the budgeted amount of reserve transfers for 2008 is \$4,740.00.

Approval of Treasurer's Report:

Mr. Muszynski moved to approve the Treasurer's Report. The motion was seconded by Mr. Rice, and approved by a 3 - 0 vote, with Mr. Moyes abstaining.

President's Report:

1. Mr. Bohnke reviewed the President's letter for those that did not receive a letter (discussed above) included the following: picking up after dogs, less graffiti in the area, no progress toward the organization of a Neighborhood Watch program, the need for a budget committee to prepare a budget for the coming year, failure to pay dues places a stress on the whole budget system and such delinquencies must be accounted for within the coming budget.

Relative to the Neighborhood Watch, Mr. Moyes brought up the fact that recently there have been several instances of vandalism of cars parked in driveways (scribing words into the glass and paint) along Black Willow and may have occurred elsewhere in the subdivision. During this discussion, Mr. Moyes offered an opinion that a gradual change in demographics is occurring within the general area which may be leading to increased instances of vandalism. Because of this, Mr. Moyes indicated that a Neighborhood Watch becomes even more important to Owners within the subdivision. Mr. Rice offered an opinion that leaving outside (driveway) lights on at night might help discourage instances of vandalism.

Relative to budget preparation, the budget will need to include estimates for the golf cart with accessories and storage, the posting of several different types of signs with supporting accessories, additional landscaping materials, etc. Mr. Bohnke said that the proposed budget needs to be completed before the November Board Meeting so that it can be approved for presentation to the Association Membership; this will require working meetings. During the discussion, it was agreed that the working meetings would be held on the 3rd and 10th of November.

Mr. Bohnke mentioned that if anyone was interested in running for the Board, they should submit their resume to ADAM.

Mr. Bohnke announced that the landscaping company, Horizons West, had provided a new billing estimate for 2009 which showed a 3% increase (to a monthly cost of \$4,712.25) over 2008. This will need to be addressed in the 2009 budget.

Received a disturbing letter/message from an Owner because of the CC&R provision against all signs, except "for sale" signs, which the Board has interpreted as including a prohibition against "for rent" signs. This letter was referred to the Brown Law Group for guidance to the Board. The concern centered on a "lease-purchase option" sign. The guidance received indicated that a "lease-purchase" was essentially a "sale" in that title to the property is transferred to the new lessee-purchaser. The discussion of this response included taking exception to such a fact in that a title to a property is not actually transferred to the lessee-purchaser until the "sale" is complete. Further discussion indicated that the offending sign has since been removed, and the Board agreed to take no further action in the current matter. In the future, Mr. Bohnke indicated that if the sign was a "for lease with purchase option" sign, it should be treated like a "for sale" sign.

Secretary's Report:

1. Corrected and forwarded Minutes of July 2008 Monthly Board Meeting.
2. Prepared Draft Minutes for September 2008 Monthly Board Meeting (August Board Meeting was not held due to lack of a quorum).
3. Prepared Agenda for October, 2008, Monthly Board Meeting

Vice President's Report and Landscaping Report

1. Status of Crushed Rock on East Side of Pacific Willow at Meadow Willow Trail -- Done
2. Status of Neighborhood Watch Program -- Discussed above
3. Status of Picnic Table and Concrete Bench -- The concrete bench was moved to the school bus pick up location at the east end of Meadow Willow Trail. The picnic table originally located on the back side (easterly side) of the subdivision has been relocated to one of the grassy common areas. Therefore, this item is complete.
4. Grass in front of the Valencia Entrance sign. Horizons West as instructed to keep the grass trimmed, and if it dies, the Board will take whatever additional action is necessary. The prior suggestion of replacing the grass with lantana has been rejected because that would require the installation of drip irrigation to ensure the lantana remained presentable.

Manager's Report:

1. Status of delinquencies and violations
 - a. Items at attorney presently 13; with 12 more being delivered to the attorney tomorrow; for a total of 25.
 - b. Items for liens The Brown Law Groups procedure was discussed before the meeting.
 - c. Items needing a hearing Mr. Connoy said that about 10 hearing letters need be sent. It was agreed to hold an Executive Session beginning at 5:30 pm prior to the next board meeting scheduled for November 17, 2008, to address these hearings.
 - d. Violations being or to be fined
 - e. Long standing violations with regard to hearing and fines and liens
 - f. Delinquent lots in name of banks and liens on same
2. Clarification concerning the sending of Welcome Packs (i.e., what is contained within the Packs and why) -- Mr. Connoy confirmed that the Welcome Packs were being sent to new home owners by certified mail (to prove that the packs were sent). Because the subdivision's governing documents must be given to the new owner by the escrow agent, the question as to whether a duplicate set of documents should be sent (as required by the CC&Rs) needs to be addressed by Brown Law Group so that the Board can decide whether this redundancy is warranted. Mr. Moyes suggested that ADAM send a welcome letter that would invite the new owner to visit the web site, which includes electronic copies of the governing documents, as well as other useful information. Mr. Rice further indicated that such a suggestion would require a modification to the CC&Rs (Section 12.10, and Article XIV of the Bylaws).
3. The issue of not sending dues statements to Owners that are on auto pay was discussed. The consensus of the Board was that all Owners should receive quarterly dues statements whether on auto pay

or not.

ACC Committee Report Sarah Struthers

1. Nothing currently outstanding.

Deferred Business

Deferred Business	Deferred At Meeting	Deferred Until
Changes to By-Laws	February 2008	Changes to CC&Rs
Code of Ethics	April 2008	Changes to Bylaws

Old Business:

1. Working Meeting about Signs and Signage -- Tabled until the November meeting.
2. Review & Approval of List of Work for Loose Litter/Debris Pick-up Position -- This still is unresolved. Mr. Moyes suggested that the Board needs to meet as a working committee to develop positions on this and other issues that can then be finalized (approved/disapproved) at a monthly Board meeting. He further suggested a working meeting on Saturday the 25th at 9:00 am at Mr. Moyes house.
3. Revisions to Existing CC&Rs -- Proposed Amended and Restated Declarations for Board Review and further discussion, changes and/or acceptance was given to Mr. Muszynski.
4. Status of Mosquito Control Proposal -- Mr. Rice moved that the item be closed at the present time and taken up within the 2009 budget. The motion was seconded and approved 4 - 0.
5. Status of Fence along Coyote Willow Trail -- Mr. Connoy reported that he spoke with Bill Webster of the Arizona State Land Department. Mr. Webster said that the renter of the state land was responsible for maintaining the fence and said that the renter begrudgingly agreed to fix the fence. Follow-up at the next meeting.
6. Status of Complaint to City About Trash Blowing from Garbage Trucks -- Mr. Connoy contacted the City of Tucson about blowing papers following reclaimed materials collection by City trucks. The City representative told Mr. Connoy that the responsibility for recollecting blowing papers was with the property owner.

New Business:

1. Mr. Moyes reported that the Rita Ranch Neighborhood Association has received complaints about the noise from the model airplane park on the north side of Valencia easterly of the SDWE subdivision. It was noted, however, that the SDWE HOA has not voiced complaints. During the discussion it was agreed to drop this matter.
2. Mr. Moyes informed the meeting of ongoing discussions between the City, the sports leagues, and the Rita Ranch Neighborhood Association concerning the funds for the maintenance of Purple Heart Park (originally provided by the subdivision developers of all neighborhoods in the vicinity). Mr. Moyes's point was that the planning should address the needs and desires of all of the surrounding residents, and that the City should not assume that the funds should be used solely for the development of new ball fields. Ideas should be directed to the Rita Ranch Neighborhood Association.

3. Mr. Connoy notified the Board that he had received Karl Walton's resignation from the Board. Mr. Moyes volunteered to fill in as Treasurer until the end of the year.

Adjournment:

At 8:02 PM, Mr. Moyes moved to adjourn the meeting. The motion was seconded by Mr. Muszynski, and approved 4 - 0.