

Civano I: Neighborhood I Association, Inc.
Resolution #16-02
Budget & Finance Committee
(Replaces 10-03)

WHEREAS, Article 11, Section 11.1 of the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Civano 1: Neighborhood 1 (the "CC&Rs") grants the Association the right and power necessary for the reasonable administration of the affairs of the Association in order to effectuate all of the objectives and purposes of the Association and which are contained in the Civano Master PAD; and

WHEREAS, Article 8, Section 8.2.1.2 of the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Civano 1: Neighborhood 1 which directs the Board to use Annual Assessments levied by the Association to promote the recreation, health, safety and welfare of the Owners and Occupants, to enhance the quality of life within the Covered Property, to preserve the value to the Covered Property, to pay the costs of administration of the Association and to pay for the maintenance of the Common Areas, to fund any project which the Board, in its sole discretion deems appropriate based on the type of Land Use Classification, to pay any sums due to the Master Association, and to otherwise further the interests of the Association as the Board deems appropriate; and

WHEREAS, Article 8, Section 8.2.1.3 of the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Civano 1: Neighborhood 1 says that regardless of the number of Members or the amount of assets of the Association, each year the Board shall prepare, approve and make available to each Member a budget;

WHEREAS, Article VII, Section 7.2.1, of the Civano 1 Neighborhood 1 Second Amended and Restated Bylaws, gives the Civano Board of Directors the power to hold and administer the assets, control, manage, and supervise the business and affairs of the Association;

NOW THEREFORE, BE IT RESOLVED THAT a standing Budget & Finance Committee is established, having the following terms of references:

PURPOSE: The purpose of the Finance & Budget Committee is to perform tasks associated with Civano 1 Neighborhood 1 HOA business financial matters, including education of Civano homeowners in these matters.

INTENT: To assist the Civano 1 Neighborhood 1 Board of Directors in meeting the requirements of Article 8, Section 8.2.1.3 which states: "The Board shall prepare and approve the annual budget and distribute a copy to each Member, together with written notice of the amount of the Annual Assessments to be levied against the Owner's Lot or Parcel, not less than thirty (30) days prior to the beginning of the fiscal year."

PRIMARY SCOPE OF DUTIES of the Budget & Finance Committee shall be:

- 1) Prepare an annual budget in accordance with Article 8, Section 8.2.1.3 containing, at the very least, the following elements:
 - a) an itemized list of revenue and expenses, showing the amount of Assessments due from the Owners based on the Land Use Classification and the services being provided to such Owners ;
 - b) the amount of the total cash reserves held in a special account of the Association for replacement or major repair of Common Areas and for contingencies (the "Reserve Account") ;
 - c) an itemized estimate of the remaining life of, and the methods of funding to defray repair, replacement or additions to, major components of the Common Areas; and;
 - d) a general statement setting forth the procedures used by the Board in the calculation and establishment of reserves to defray the costs of repair, replacement or additions to major components of the Common Area.
- 2) Preparation of the yearly budget shall include solicitation of information/ideas from Board members, homeowners and contractors through the development of educational seminars, town halls, and programs relating to the Budget and Financial issues to include contract issues. Seminars, town halls and programs to be conducted by the Budget & Finance Committee;
- 3) Review Reserve Funds every October and April to ensure that Reserve replacements are timely and in accordance with schedule recommended in the Reserve Study. Ensure that Reserve Funds remains adequately funded in accordance with recommendations in the Reserve Study. Forward all recommendations to CINI Board for approval and action if needed.
- 4) The development of flyers, newsletters and surveys relating to the business and financial affairs of the Association.
- 5) Timely evaluation of all contracts for pricing, effectiveness and comparable submissions; all comments and recommendations to be forwarded to the Board for approval and adoption during their annual Contract Review Process.
- 6) Identifying, researching and reporting business financial issues of concern to the Association
- 7) Perform any other duties delegated to it by the Board; carrying out all other duties imposed upon it by the Governing Documents.

APPROVAL AUTHORITY:

All decisions of the Budget & Finance Committee shall be subject to the approval of the Board of Directors. All materials, processes, guidelines, applications, seminars, flyers, surveys, newsletters and articles shall be subject to the approval of the Board of Directors.

MEMBERSHIP AND MEETINGS:

The Budget & Finance Committee shall be composed of the Board Treasurer and not less than two (2) or more than four (4) other members and may have up to two (2) alternates.

The Committee shall meet quarterly to review the budget and make recommendations to the Board if changes are needed but shall meet as often as necessary to complete its assigned responsibilities.

APPOINTMENT AND TERM OF OFFICE:

Members of the Budget & Finance Committee shall be appointed by the Civano 1 Neighborhood 1 Board of Directors and can be removed at any time without cause by the Board. Unless a member of the Budget & Finance Committee has resigned or been removed, his/her term on the Committee shall be for a period of one (1) year, or until the appointment of his/her respective successor .

Dated this 12 day of July July, 2016

CIVANO 1: NEIGHBORHOOD 1 ASSOCIATION,
An Arizona non-profit corporation

By: Adrienne Delgado-Keller
Adrienne Delgado-Keller
Its: President

ATTEST:

C. Suarez
Secretary VP