

Sierra los Pinos Property Owners' Association

950 Forest Rd. 10
Jemez Springs, NM 87025
www.slppoa.org

August 28, 2014

TO: Suzanne Star and Sabine Shurter

RE: Your Letter August 1, 2014, Letter to Sunland Management and Tax Service, Inc.

I received my copy of the letter you sent to Mr. Frank Casanova of Sunland Management, which was shared with the entire Board of Directors, and of which you copied the SLP attorney Brad Hays. Provided below is the response directly quoted from Mr. Casanova. This response letter will also be posted on the SLP webpage.

"The below is a response by our firm on a letter received from two (2) HOA members.

1. I have attached an example of what our firm of nearly 33 years uses to begin all reviews of financial data in quickbooks. I want to emphasize that this is just a beginning, after we go over all of the items on the attachment then we study the Balance Sheet and Profit and Loss Statements to make sure no "other" items of concern require dialog with you by email. By the time we complete the tax returns for IRS and New Mexico we have studied your bookkeeping five (5) times for complete accuracy and provided you necessary adjustments to comply with GAAP (generally accepted accounting principals) and tax regulations for filing the 1120h and State returns. You may tell your members that our study of your bookkeeping is complete and painstakingly accurate.

2. Please understand that all roads lead to the completion of the IRS and New Mexico tax returns. That essentially means that we have reviewed/studied all areas of the financial's throughout the year. I am proud to state that in our 33 years of practice that we have always had very favorable results by any IRS audit.

3. The statement at the top of my year end compilation "unaudited" means that only our firm has studied all the data to complete ultimately the IRS and State returns.

4. I have attached for your members information what we call our fifth (5) final review of the books/records before we complete the HOA 1120h return. Again remember this is "after" four (4) reviews and dialog with your office on concerns we noted on our quarterly review/study/analysis of your bookkeeping.

I hope this helps your members to understand our steps to assure accurate records/financials and 1120h HOA tax returns."

This should explain to you again that the Association books are in order and the review/audit process is thorough and goes well beyond the requirements of the Bylaws.

Ms. Star had previously contacted Mr. Casanova on two separate occasions without prior Board authorization and was informed that she would be billed if any further unauthorized contacts were made. As such, an invoice for Sunland Management's time related to responding to this letter is attached.

Sincerely,

Joe Brophy, President

Att: a/s
Sunland Mgt Invoice

Cy: Brad Hays, Attorney at Law