

**MINUTES OF THE MEETING
OF THE GAINNEY RANCH COMMUNITY ASSOCIATION
BOARD OF DIRECTORS
September 22, 2009**

A Board of Directors meeting of the Gainney Ranch Community Association was held Tuesday, September 22, 2009, at 9:00 a.m. at the Daniel C. Gainney Estate Club, Scottsdale, Arizona.

Members Present

Preston Miller, Eugene Kaulius (via telephone). Shannon Vaughan, Patrick Collins and Dick Lockwood

Jim Funk, Donna Corcoran, Paul Hansen and Monika Goodwin were present by invitation.

Chairman Preston Miller called the meeting to order at 9:00 a.m.

Monika Goodwin was asked for the Affidavit to verify that proper notice of the meeting had been duly given to all association members. Chairman Miller directed that it be attached to and made part of the minutes.

Chairman Miller asked for any changes or corrections to the minutes of the June 23, 2009, meeting. None were required and the minutes were approved and accepted unanimously.

Donna Corcoran introduced Paul Hansen (of Butler, Jones and Hansen, CPA). Hansen present the annual audit report, dated June 20, 2009, to the Board. Each director received a copy of the report. GRCA received the desired Standard Unqualified Report – indicating that no deficiencies were noted. Hansen emphasized how soundly GRCA stacked up against other area homeowner associations given the current economic environment. Additionally, Hansen recommended reviewing and updating the reserve study every three to five years. The Board thanked Hansen and he left.

Next, Corcoran reviewed the August 31 financials with the Board and answered questions. Loss of interest income will require some adjustments. It was noted that expenses, in all departments, are less than budgeted amounts.

Corcoran introduced and explained a proposed Insurance Administration Policy. In summary, GRCA will solicit bids for all insurance (Master and Satellite) at least once every three years and implement a system consolidating renewals on one of four dates. After discussion, it was moved to adopt the Insurance Administration Policy as proposed. The motion was seconded and approved unanimously. The policy will be presented to the Council of Presidents for review.

Jim Funk reviewed with the Board the model for equitably dividing the basic maintenance overhead expenses among the satellites and GRCA for the 2010 budgets. After some discussion about the various percentages, it was moved to adopt the model as presented. The motion was seconded and approved unanimously.

Funk next spoke about the frustration experienced by some homeowners who had after-hours issues with their alarm systems. Understandably, levels of frustration increased when callers were placed on hold or when calls were forwarded to the alarm service provider's answering service. Management's solution is to (1) train GRCA security officers to be able to address

basic alarm system problems and (2) having a technician available to security officers to resolve more complex alarm issues. Management recommends paying \$800 per month beginning October, 2009 through February, 2010, to have a Phase One Electronics technician on call between 6 pm and 7 am. After a brief discussion, it was moved to pay Phase One \$800 per month from October, 2009 through February, 2010 to have an after hours technician available via telephone. The motion was seconded and approved unanimously.

Funk reviewed the governing documents amendment vote with the Board. It was informational only and no action is required.

Commendation letters from homeowners and performance award information was included in the Board packet, also for information only. The Board expressed favorable comments.

Funk next introduced a "discussion piece," a list of potential capital projects to be achieved over the next five years. A draft list of initiatives, for consideration over a five-year budgeting period, includes replacing some equipment in the fitness center; aesthetically improving the entry areas (East, West and North) as well as focal point intersections; and updating various Security-related tools such as upgrading the current card access system or replacing it with a radio frequency id system, purchasing a computer-controlled key management system, purchasing software that allows for faster and more accurate access control, and a camera system to visualize remote access at eight unmanned entries. Chairman Miller stated that the Security Committee recommended upgrading the key management system and acquiring an access control system. It was noted that good security is a homeowner priority and makes any community more salable. Corcoran cautioned against redundancies with software systems.

Chairman Miller invited Funk to update the Board about the Unison offer and the Seth Korey Tennis proposal. Funk stated that Unison, which is in business to purchase revenue streams, seemed disinterested in revenue sharing and rejected GRCA's counter offer. Regarding the tennis proposal, Funk suggested meeting and discussing with the Tennis Committee, which was against the idea of allowing the Korey program at the Gainey courts. The Board suggested inviting other tennis members who expressed concerns to the meeting.

Funk introduced a non-agenda item: liquor control. Having a liquor license requires not only training for employees but also restricts the purchasing of beer and wine to non-retail distributors. An "events" liquor license allows the license to be "turned on" up to ten times per year. Also, having an events license allows members to bring their own beer and wine. The Board directed Funk to discuss the pros and cons of the liquor license options with the Tennis Committee, Social Committee and any concerned Club members.

Chairman Miller called for an Executive Session. The Board reviewed the status of two legal issues.

The meeting was adjourned at 11:30 a.m.

Respectfully submitted,

Monika S. Goodwin
Administrator