

**MINUTES OF THE MEETING
OF THE GAINNEY RANCH COMMUNITY ASSOCIATION
BOARD OF DIRECTORS
April 23, 2008**

A Board of Directors meeting of the Gainey Ranch Community Association was held Wednesday, April 23, 2008, at 8:30 a.m. at the Gainey Ranch Community Association Administration Building, Scottsdale, Arizona.

Members Present

Preston Miller
Fran Goldberg
Eugene Kaulius
Shannon Vaughan
Patrick Collins

Fred Thielen, Donna Corcoran and Monika Goodwin were present by invitation.

George LaHood, homeowner, was present for a portion of the meeting.

Chairman Preston Miller called the meeting to order at 8:30 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 March 13, 2008, meeting. None were required and the minutes were approved and accepted unanimously.

Chairman Miller invited Donna Corcoran to review the GRCA first quarter financials (summary attached).

The Sarbanes-Oxley Act, which primarily applies to public companies, was summarized by Corcoran. A discussion ensued and Corcoran answered questions from the Board. Rather than form an audit committee, the Board agreed the auditor should review the annual audit directly with the Board in addition to submitting a comprehensive written report. It was noted that, although GRCA engages the same audit firm each year, the auditors are periodically rotated.

The Board next unanimously adopted the Sarbanes-Oxley Conflicts of Interest Policy (attached) to be added to the Gainey Ranch Rules.

The Board requested that Thielen add language protecting whistleblowers to the GRCA Employee Manual to complete the Sarbanes-Oxley review.

The Board ratified the new membership appointments to the following committees: Governance (new ad hoc), Executive Director Search (new ad hoc), Maintenance, Security, Architectural, Communications and Estate Club (list of committees and memberships is attached). The Government Affairs Committee had no new memberships to ratify.

Preston Miller, Security Committee Chairman, reported that Corporate Security Specialists, Inc. (CSSi) will prepare the specifications for a basic closed circuit television system to cover the three gatehouse entrances along with each of the unmanned Gainey Ranch gate entrances located outside the main community complex and will perform a threat assessment for a combined cost of \$7,500, as approved by the Board on March 13, 2008. Miller also requested brief summaries of the more significant incidents be listed on the Quarterly Security Report, rather than just the number of incidents.

Fran Goldberg, Maintenance Committee Chairman, stated that the Council of Presidents agreed that Jeff Begnoche (Landscape Maintenance Superintendent) needs additional qualified assistance. She further reported that the test project of outsourcing landscape labor is a work in progress.

Eugene Kaulius reported for the Estate Club Committee. The Council of Presidents requested that, in addition to the expanded Estate Club option, the committee also provide at least one additional option for a new Estate Club to present to the owners. Thielen explained the architectural firm's fee structure and other details concerning the architect's conceptual design proposal. A discussion ensued. The Board resolved to spend no more than an additional \$10,000 for the conceptual design drawings and renderings for the second option. Thus, the preliminary design for both options would not exceed \$20,000. The Board approved the Estate Club Committee's proposal to use Berkus Design Studio to prepare the conceptual design for the second option. However, the Board did not commit to the total architect's fee being 7.5% of the cost of construction as proposed by Berkus. The preference was to subsequently address total architectural fees when and if the required approvals of the conceptual design occur.

Attorney Donald Dyekman arrived. Don is with the law firm of Mariscal, Weeks, McIntyre and Friedlander, PA. Thielen noted that Dyekman was the attorney representing the homeowners when Markland, the Master Developer, turned the GRCA over to the homeowners in 1995. The Board interviewed Dyekman for the professional position to lead the Governance Committee through its review of the GRCA governing documents. Dyekman explained his background and the nature of his work then answered questions from the Board. The Board will interview another attorney before making the appointment. The goal is to update the GRCA documents and obtain the required 75% approval from the members to effect the changes.

Miller said he would answer the letter from Mr. Cochill with copies to the Council of Presidents since Cochill had also copied the Council. He will offer to meet with Cochill to discuss the issues raised in his letter..

The meeting was adjourned at 10:35 a.m.

Respectfully submitted,

Monika S. Goodwin
Administrator