

**MINUTES OF THE MEETING
OF THE GAINNEY RANCH COMMUNITY ASSOCIATION
BOARD OF DIRECTORS
August 26, 2008**

A Board of Directors meeting of the Gainey Ranch Community Association was held Tuesday, August 26, 2008, at 3:00 pm at the Gainey Ranch Community Association Administration Building, Scottsdale, Arizona.

Members Present

Preston Miller
Fran Goldberg
Eugene Kaulius
Shannon Vaughan
Patrick Collins

The Board met with Burt Cohen, GRCA's attorney, regarding contemplated legal action in a closed meeting. At the Board's request, Fred Thielen was also in attendance. Details of the closed meeting are in the Executive Director's files.

The open portion of the meeting was called to order at 3:55 pm by Preston Miller. Thielen, Donna Corcoran and Monika Goodwin were present by invitation.

The Board unanimously approved the minutes of the April 23, 2008 Board meeting.

Corcoran reviewed the June 30 financials with the Board and answered questions. Thielen explained the unusually high amount of 2008 one-time expenses such as legal fees, special security consulting services, amendment of the governing documents, Estate Club design services, Yardi accounting and management software installation, fiber optic line installation and expenses related to executive director recruitment. (Copy of Financial Statement Review is attached).

Corcoran informed the Board concerning the current status of the implementation of the Yardi accounting and management software installation, including an expected October 1, 2008 conversion date.

The auditors, Greg Butler and Paul Hanson, arrived to present the annual audit report to the Board. Each director received a copy of the report. GRCA received the desired Standard Unqualified Report – indicating that no deficiencies were noted. The auditors answered some questions from the Board. Copies of the audit report will be mailed to all Satellite Board members. The auditors said they use Gainey Ranch as the standard when measuring the financial condition and internal controls of other homeowner associations.

Committee Reports were next. Miller stated that the Governance Committee was making great progress reviewing, updating and amending the Master Association CC&Rs, Bylaws and Articles. The proposed amended documents will be reviewed and discussed by the Board before being presented to the members for approval, which requires at least 75% approval of those voting on the matter.

Miller, as chairman, gave the Security Committee report. All Board members were given a copy of the Gainey Ranch Threat Assessment Report produced by the security consultants,

Corporate Security Specialist, Inc. (CSSi). The report stated that Gainey Ranch has substantially fewer reported crimes than the surrounding areas. CSSi has drafted specifications for use in obtaining bids for a video security system at all exterior entry gates. The Board also invited Don Hesselbrock (of CSSi) to submit a proposal to prepare specifications and obtain competitive bids for the residential security system maintenance and monitoring service, currently provided by Amer-X Security, Inc. (Copy of the CSSI Threat Assessment Report is attached).

Goldberg, Maintenance Committee chair, reported that the committee met with Scott Williams in July and discussed maintenance challenges during the fast-growing landscape summer season that occurs between May and September. The committee recommends engaging an assistant for Jeff Begnoche to help mitigate the expanding landscape maintenance expectations and requirements. The committee reviewed costs and received a report from staff for further review on the outsourcing issue. The committee does recommend renting, rather than owning, some seldom-used equipment to curtail costs. The committee also suggests possibly considering outsourcing a few additional specialized tasks such as chemical application.

Miller, on behalf of Chairman Dick Lockwood, gave the status report for the Executive Director Search Committee. The final candidates will be in Scottsdale next month (September) and the Board will interview the candidates in addition to the Search Committee's interviews. The Board expects to make an offer to the selected candidate during the candidates' mid-September visit and the new Executive Director to start no later than November 1 in order to receive a couple of months' training and preparation for the position.

Kaulius reported for the Estate Club Committee (Barry Talley is the chairman). After the presentation of a proposed addition to the Estate Club, including a self-financing plan requiring no increase in monthly assessments nor a special assessment, the entire proposal was presented to the Council of Presidents. It was discussed in great detail there and the result was a unanimous request that the committee and Board evaluate the concept of replacing the Estate Club building with a more user-friendly facility, which could include administration offices. In light of this further request by the Council of Presidents, the committee met with Berkus Design Studio on August 26. Kaulius reported that Berkus is working on preparing the conceptualls for a new building that will accommodate several services, including the Administration offices. The completed conceptualls and estimated costs and funding plan will be presented to the Council of Presidents and the Board prior to review and approval by all Gainey Ranch homeowners. No funds will be spent on construction drawings unless the conceptualls are approved by all parties..

By majority vote, with Miller, Kaulius and Collins voting yes, the Board authorized outsourcing the Pavilions' pool services for a one-year test period. GRCA Maintenance would still be responsible for supervising the pool service. The final decision to be made by the Pavilions Board.

Pat Collins, chairman, agreed to postpone the report from the Communications Committee due to time constraints of this meeting.

Thielen noted that the extended Cox Bulk Rate Service Agreement expires in July, 2009 and recommended establishing an ad hoc committee to review the agreement. Collins volunteered to draft a survey about cable services to be mailed to the homeowners to determine if the homeowners desire to continue the service, which offers an approximate 40% discount for the basic Cox cable service. Any decisions to terminate the agreement would need to be given to Cox Communications prior to March 10, 2009.

The Board unanimously ratified the Berkus Design Studio Agreement (attached), which had been previously approved individually via e-mails.

Collins next proposed including a 10% hold-back amount into vendor contracts until such time the warranty period expires. After some discussion, it was decided that such a practice should be considered on an individual contract basis.

The meeting was adjourned at 5:55 pm.

Respectfully submitted,

Monika S. Goodwin
Administrator