

**MINUTES OF THE MEETING  
OF THE GAINNEY RANCH COMMUNITY ASSOCIATION  
BOARD OF DIRECTORS  
January 20, 2005**

A Board of Directors meeting of the Gainey Ranch Community Association was held Thursday, January 20, 2005, at 9:00 a.m. at the Gainey Ranch Community Association Administration Building, Scottsdale, Arizona.

**Members Present**

Preston Miller  
Barbara Daum  
Fran Goldberg  
Alan Lezak  
Shannon Vaughan

Fred Thielen, Carol Collins and Monika Goodwin were present by invitation.

Eugene Kaulius and Patrick Collins, homeowners, were present for a portion of the meeting.

Chairman Preston Miller called the meeting to order at 9:04 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 December 8 and December 9, 2004 board meetings. There was a brief discussion but no corrections or changes to the minutes were required and the minutes were approved and accepted unanimously.

Chairman Miller asked for the Nominating Committee report from Shannon Vaughan, chairperson. Vaughan reported that the committee (Joe Sinsheimer and Bill McNamara) met via teleconference and nominated the three applicants: Patrick Collins, Fran Goldberg and Alan Lezak. (Report is attached.)

The Board next appointed the 2005/2006 Nominating Committee. Thielen gave a brief history of the Nominating Committee compositions since 2000. Chairman Lezak, Daryl Nagel and Mary Jacobs were approved unanimously.

Chairman Miller asked Carol Collins to review the GRCA Reserve Account Investments. Collins reported that the \$180K GMAC Corporate Bond that matured in January 2004 was reinvested in a \$100K Capital One 5 year CD in January 2004 and a \$80K Capital One CD in March 2004. The Reserve Investment portfolio is currently at \$573,000. Collins and Thielen answered questions from the Board and pointed out that two \$50,000 corporate bonds are maturing – one today, 1/20/05, and the other on 4/15/05. The Reserve Account 5 year cash flow summary

indicates these maturing securities totaling \$100,000 can be re-invested. It was moved, seconded and unanimously agreed to invest \$100K in a GMAC Corporate Bond at 6% for five years. NOTE: Prior to the end of the meeting, Collins informed the Board that the GMAC investment was not authorized since the rating was less than the GRCA's A-AAA minimum requirements. Consequently the Board approved an investment of \$50K in the highest two-year CD available with FDIC insurance (approximately 3.6% yield) purchased through Wells Fargo Bank to reinvest the \$50K maturing today and will address reinvesting the \$50K maturing on 4/15/05 at that time.. The Board excused Carol Collins.

The Board reviewed the proposed Annual Meeting documents consisting of the Agenda, Notice, Proxy and Ballot. It was suggested that the sentences encouraging members to mail, fax or e-mail any questions or concerns regarding the GRCA operation to GRCA prior to the meeting become a separate paragraph to be more noticeable. There was a brief discussion and the Board approved the documents with the change listed above. The GRCA Annual Meeting is scheduled for 7:30 pm on Wednesday, February 23, 2005 at the Gainey Ranch Golf Club.

Chairman Miller asked Barbara Daum, co-chairperson, to report the findings and suggestions of the evaluations of the Architectural Control Review Committee. Daum distributed a report (copy attached). The committee proposed revising the application form for architectural committee review by including the appeal process and timelines for approval. The agenda and minutes of Architectural Committee meetings could be sent to GRCA Board members with the monthly financial packets so the Board could be better informed concerning the Committee's activities. The evaluation committee proposes a restructuring of the Architectural Committee to include residential (Gainey Ranch homeowner) members along with the two existing professionals and to retain Thielen as a non-voting member unless ties need to be broken. The evaluation committee further proposes that the Satellite communities review any existing Architectural Committee Rules, including house colors, sun control device standards and landscaping requirements and update and expand the regulations as needed. The Board discussed the proposals at length and accepted them in principle, but would like to get input from the Council of Presidents prior to final approval.

The Board approved a Rule regarding Imposition of Monetary Penalties effective February 1, 2005. The Rule spells out policies and procedures for imposing monetary penalties for architectural control violations of the governing documents that remain uncorrected after proper notification. (A copy is attached).

Chairman Miller invited Alan Lezak to speak about strategic planning regarding a Facilities study. Lezak said the Board hears from about 3 to 5% of owners, mostly those with personal agendas. He would like to know the expectations of the other 95%. To get information from Gainey Ranch owners, Lezak suggests employing a scientific, professional research firm. The Board and management should know what the owners expect – short term and long term. He handed out a proposal obtained from Creative Consumer Research, a marketing research firm. A discussion ensued and a motion was made : Thielen to locate additional research firms and return the information to the Board for possible future use, assuming the use of a marketing research firm is subsequently approved. The motion was seconded and approved.

Barbara Daum discussed the need for Satellite Associations to reserve and plan for subsequent landscape replacement and update. Daum then spoke about a few Oasis Condominium concerns, including parking issues, dogs running loose and the use of cell phones at the pool. Thielen said the parking and dog issues are being enforced and to contact Ed Gallo and Diane Brunsfeld to discuss the particulars.

Chairman Miller called for an Executive Session and excused Monika Goodwin. The Board considered the annual management bonus review. Details are in the Executive Director's files.

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

Respectfully submitted,

Monika S. Goodwin  
Administrator