

**MINUTES OF THE MEETING
OF THE GAINNEY RANCH COMMUNITY ASSOCIATION
BOARD OF DIRECTORS
January 24, 2008**

A Board of Directors meeting of the Gainey Ranch Community Association was held Thursday, January 24, 2008, at 9:00 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.

John Stott, homeowner, was present for all but the closed portion of the meeting.

Chairman Preston Miller called the meeting to order at 9:02 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 6, 2007 meeting. Kaulius suggested adding the two-year repayment term for the loan to fund the computer and connectivity upgrades (paragraph 4). Kaulius next suggested adding that, once reviewed and approved, the north loop landscape upgrade plan would be put out to bid (last paragraph). The amended minutes were approved unanimously.

The Architectural Committee reported, through Thielen, its approval of the Greens Board's proposal to repaint its exterior wall with *CANDLE*, an approved color for the Greens, to cure the violation. Hugh Pring, Greens President, will write a letter to the Greens residents stating that the repainting of the wall was a mutually-agreed upon resolution between the Greens Board and the GRCA Board and, as far as the Greens Board is concerned, the matter is now closed. Goldberg moved to accept Pring's statement. Motion was seconded and approved unanimously.

The Board next considered a recommendation from the Architectural Committee to amend Section 2, Article 1, Exhibit A (Architectural Committee Homeowner Members) of the Architectural Committee Rules deleting the requirement that one of the three homeowner members be a GRCA Board member (copy attached). Motion to accept the amendment made by Kaulius. Four members approved, Collins disapproved. The Board unanimously approved the appointment of Pam Graf, Landscape Architect, as the professional member to the Architectural Committee on a trial basis, on a motion by Goldberg. Mr. Boyce, one of the homeowner members of the Architectural Committee, resigned and the Board will appoint a

qualified homeowner volunteer after the applications, if any, are reviewed as a result of an article in the February edition of the *Gainey Gazette* announcing the vacancy.

Donna Corcoran presented the results of the Scottsdale-Doubletree corner monument survey. Since less than 20% of those surveyed were dissatisfied with the landscaping and/or the monument stone color, the Board decided no action is required.

Thielen presented the North Loop Road Landscaping Plan. The AridScape cost estimate for material and demolition is \$65K. After a discussion, Kaulius made a motion to approve the landscape plan with a \$75K (plus tax) maximum expenditure since Thielen and the Architectural Committee may need to increase the size of some of the proposed plants to make an appropriate statement. Thielen and the GRCA President are authorized to accept a bid within the \$75K allowable maximum. The motion was seconded and approved unanimously. The Board will invite the Presidents of the Greens, Legend and Estates to review the landscape plans at the next Architectural Committee meeting since some of the improvements will be installed across the road from their entrances.

Thielen next reviewed proposed changes to the rules regarding Open House procedures and FOR SALE signs (for single family homes as well as for condominiums). The changes to the Open House policy were previously reviewed and approved by most of the Council of Presidents members. The amended FOR SALE SIGN and OPEN HOUSE rules were adopted unanimously by the Board, to be effective February 1, 2008. (Copies of rules are attached.)

Chairman Miller invited Corcoran to speak about connectivity options. She explained the superiority of fiber optic over the option of installing two rather than one T-1 lines. The T-1 line will cost \$9600 annually to operate. The cost of installing the fiber optic and the T-1 line is included in the \$98.8K estimate. Yardi, the proposed property management software, is Internet-based and will function optimally with a reliable, fast connection provided by both the fiber optic connection and the one T-1 line.

Corcoran next reviewed the GRCA Investment Portfolio and 5-Year Reserve Account Projected Sources and Uses report (attached) with the Board and answered questions.

The Board next signed two resolutions: one approved a loan from Reserves to finance the \$98.8K 2008 computer and connectivity upgrades; the other addressed the treatment of any 2007 net income for tax purposes. The resolutions are filed in the corporate book.

Kaulius, Chairman of the Estate Club Committee, summarized the results of the Estate Club Committee findings and its proposed Estate Club expansion information. Kaulius proposed a presentation by the committee and architects to the Board at 3:00 pm on Wednesday, February 6 at the Estate Club. Invitations will also be extended to the Council of Presidents if they are interested in a preview prior to the tentative February 11 meeting with the Council.

Goldberg, Nominating Committee Chair, presented the Nominating Committee report (attached). The committee, comprised of Goldberg, Joe Sinsheimer and Barbara Daum, interviewed the five GRCA Board of Directors applicants on January 12, 2008. The Nominating Committee named the applicants Isabel Bucher, Thomas Cochill, John Day, Eugene Kaulius and Preston Miller as candidates for the two positions elected by the residential members. The committee also named Shannon Vaughan as the candidate for the director elected by the non-residential members. The Board appointed the 2008/2009 Nominating Committee: Shannon Vaughan (Chair), Don Miller and Paul Carter.

The Board reviewed the proposed annual meeting documents (attached): Notice, agenda, candidates' applications, absentee ballot and ballot used at the meeting. The Board discussed and approved the agenda as well as the procedure to count the absentee ballots in order to comply with the secret ballot requirement in the GRCA governing documents.

The Board requested a review of the GRCA governing documents during 2008. An ad hoc Governance Committee shall be formed for the purpose of establishing the process and completing the task.

Chairman Miller called for an Executive Session and excused Monika Goodwin and Mr. John Stott.

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

Respectfully submitted,

Monika S. Goodwin
Administrator