

**MINUTES OF THE MEETING
OF THE GAINNEY RANCH COMMUNITY ASSOCIATION
BOARD OF DIRECTORS
December 7, 2006**

A Board of Directors meeting of the Gainey Ranch Community Association was held Thursday, December 7, 2006, 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
Daniel Pollack

Fred Thielen, Scott Williams and Monika Goodwin were present by invitation.

Chairman Preston Miller called the meeting to order at 9:05 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 November 6, 2006, meeting. Kaulius suggested an addition regarding the acquisition of a new accounting software system. The minutes were approved and accepted unanimously with the addition.

Miller invited Scott Williams to give the maintenance report. Williams noted that there have been a few staff issues, and is currently attempting to replace the receptionist. The labor market is tight and he has been utilizing temporary workers. His budget is for seven regular and eleven temporary workers but in reality he has been using five regular and fourteen temporary workers. The restructured irrigation staff is still one technician short.

Regarding water conservation, during the second week of January, Williams will meet with representatives from Baseline, which offers the latest state-of-the-art, computerized irrigation system including sensors installed in the ground.

Williams said that Arizona Pest Prevention has been a major player for a long time in the roof rat elimination program throughout the Phoenix metropolitan area and is currently functioning as a consultant to both the GRCA and residents. He has also decided to begin harvesting some of the citrus fruit earlier in 2007. Williams will write an article for the newsletter encouraging residents to also pick their citrus to deprive the rats of a food source. The GRCA has a program in place that also involves the participation of the residents to control and reduce the roof rat nuisance.

Chairman Miller said Thielen's December 1 memo to the Board explaining the causes for the assessment increase was helpful. After discussing the details, the Board moved to accept the

2007 budget as proposed, which included a \$7 (4%) monthly increase from \$175 to \$182 per member.

In response to a question regarding the status of the five-year loan, originally for \$360,000, Thielen explained the loan will be fully paid in 2007 and the current balance is \$72,000.

There were a few questions about electricity, the Golf Course Arroyo maintenance responsibility and insurance deductibles which Thielen answered.

The Board briefly discussed the various Satellite Association 2007 assessment amounts and comparison to the 2006 respective assessment increases.

The Board next discussed the reinvestment of maturing securities. The \$50,000 that matured November 10 was temporarily deposited in a money market account and combined with the \$50,000 bond maturing December 15 provided a total of \$100,000 to reinvest. A motion was made to invest \$100,000 in a five-year CD at 4.9% yield in order to ladder the investment portfolio. The motion was seconded and approved unanimously since the reserve account cash flow study indicated the funds were available to allow the current reinvestment.

The Board signed a resolution that any 2006 excess revenue shall be applied to 2007 and not considered taxable during 2006 by the U. S. Internal Revenue Service.

In 2005 the Board appointed two homeowners to the GRCA Architectural Committee: Eugene Kaulius for a two-year term and Bill Boyce for a one-year term. Boyce's term is expiring at the end of 2006 and he is willing to serve again. It was moved, seconded and unanimously approved that Bill Boyce be appointed to a two-year term.

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

The meeting was adjourned at 11:00 a.m.

Respectfully submitted,

Monika S. Goodwin
Administrator