

**MINUTES OF THE MEETING
OF THE GAINNEY RANCH COMMUNITY ASSOCIATION
BOARD OF DIRECTORS
February 9, 2010**

A Board of Directors meeting of the Gainey Ranch Community Association was held Tuesday, February 9, 2010, at 9:00 a.m. at the Daniel C. Gainey Estate Club, Scottsdale, Arizona.

Members Present

Preston Miller
Eugene Kaulius
Shannon Vaughan
Patrick Collins
Dick Lockwood

Jim Funk and Monika Goodwin were present by invitation.

Richard Bowman and Mark Slicker, homeowners, were present for all but the closed portion of the meeting.

Chairman Preston Miller called the meeting to order at 9:00 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 January 19, 2010 meeting. None were required and the minutes were approved and accepted unanimously.

Dick Lockwood asked for the floor. He requested that Preston Miller's eight years service on the GRCA Board of Directors be recognized. Lockwood also commended Jim Funk and the GRCA Maintenance staff for the ranch-wide cleanup on Saturday, February 5, following a storm.

The Board next reviewed the 2009 Financial Highlights report prepared by Donna Corcoran, CPA, the GRCA Director of Finance. The Net Operating Surplus was \$206,508, almost \$100,000 over the budgeted amount, and Total Operating Expenses were \$159,974 under budget. All categories of expense were under budget and all were less than the previous year. Current Net Working Capital is \$179,405, which is a huge improvement over year-end 2008. After much discussion, the Board unanimously accepted the report with an adjustment of the Net Operating Surplus to more closely reflect potential bad debt at 12/31/09.

Chairman Miller asked Jim Funk to speak about the 5 Year Capital Plan and to give his recommendations, per the January 19 Board meeting. Funk explained his priorities, which will all have a significant level of homeowner recognition: Security, Owner access to data, Gainey Ranch image enhancement and Loop road landscape improvement. Funk recommends security cameras and access software to be used at the manned entries; cost is \$94K. The Yardi portal upgrade will allow owners to view and update their accounts online; cost is \$20K. The Image Committee needs access to an architectural professional; cost is \$25K. Funk also

recommended spending \$5K to improve landscaping in one portion of the loop road (a trial project). The entire landscape improvement of the loop road is scheduled to be completed over three years. The total cost of the four projects is \$144,515. Projected expenditures for 2010 totaled \$174,515. The \$30K difference is attributable to signage -- which is deferred until 2011, pending input from the Image Committee and the Architectural Committee.

The Board discussed proposed annual meeting presentation.

Pat Collins, chair, gave the report outlining the recommendations made by the Nominating Committee. Composition should be five, rather than three, members. A member of the Board will chair the committee. Two members would serve a second year while the other two would be replaced. This would allow a level of continuity on the committee. The application deadline for candidates should be October 31. The committee would then be able to schedule two meetings in November to interview the candidates. The committee would give its list of nominees to the Board in December and schedule a "meet the candidates" meeting in January. The committee also considered various criteria for candidates, which will be reviewed by the attorney. The Board unanimously approved the 2010 – 2011 Nominating Committee: Eugene Kaulius, chair, Barbara Graham and Mike Sheehan (from the previous year) and Denny Johnson and Isabel Bucher (new).

Chairman Miller called for an executive session and excused Mark Slicker, Richard Bowman and Monika Goodwin. The executive session was called for a performance review.

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

Submitted,

Monika S. Goodwin
Administrator