

**MINUTES OF THE MEETING
OF THE GAINEY RANCH COMMUNITY ASSOCIATION
BOARD OF DIRECTORS
June 18, 2010**

A Board of Directors meeting of the Gainey Ranch Community Association was held Friday, June 18, 2010, at 9:30 a.m. at the Daniel C. Gainey Estate Club, Scottsdale, Arizona.

Members Present

Dick Lockwood
Eugene Kaulius via telephone
Shannon Vaughan
Patrick Collins
Tom Cochill

Jim Funk, Donna Corcoran and Monika Goodwin were present by invitation.

Karen Epstein, homeowner, was also present.

Chairman Dick Lockwood called the meeting to order at 9:30 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 Lockwood directed that it be attached to and made part of the minutes.

Chairman Lockwood asked for any changes or corrections to the minutes of the April 13, 2010, meeting. The chair of the ad hoc Excellence Fund Committee was corrected (Mark Slicker) and the minutes were approved as corrected (Cochill was not at the April meeting and abstained from voting).

Donna Corcoran, CPA, Director of Finance, reviewed the April 30 financial documents with the Board. All the Maintenance Allocation is running over budget, this should correct by year end. Overall, financial performance matches the budget. Corcoran noted that there was one write off in June for around \$8K.

Corcoran next reviewed the status of setting up electronic payment options for homeowners. The Yardi Portal product is no longer a viable option. Instead, Corcoran presented the alternative of a custom developed front end web application that would link through the existing website. A few preliminary technology developments have to occur before that is possible, including mass e-mail capability to homeowners, an interface software application that would link Yardi to the new front end web application, and the ability to flag homeowner records on Yardi to print and send monthly statements (by postal mail), or not. In reference to fees for electronic payment processing Corcoran noted that merchant fees are prohibitive, and suggested that because of related fees electronic payments be limited to direct bank debits. Research will continue on batching options and timing for debits to homeowner bank accounts. Collins suggested looking into online banking.

Chairman Lockwood invited Jim Funk to speak about the findings and recommendations of the Excellence Fund Committee. Funk spoke to the list of capital projects and improvements which are funded by \$6 per member monthly as well as the \$500 Enhancement Fee, collected when a property changes owners. Since the number of sales are moderate, the fees collected are down from previous years. Rather than consider special assessments or increasing the monthly

member contribution, the committee recommends changing the \$500 flat fee to a percentage of the sales price. The change would require member approval since it would be a change to the CC&Rs. The committee proposed presenting, for member approval, a two-step approach: .25% effective in February, 2011 and an increase to .50% effective February, 2013. The current \$500 would be a minimum, increasing to \$1,000 in 2013.

Pat Collins presented the revised Nominating Committee Rules which the Board adopted unanimously.

Tom Cochill spoke about the Branding Committee, a topic tabled from the April 13 Board meeting. Eugene Kaulius suggested a review by the Board once the Positioning Statement and Brand Voice for Gainey Ranch are developed. Also tabled from the April 13 meeting was the preference criteria for selecting members of the Master Architectural Committee. The Board unanimously approved incorporating the criteria into the Master Architectural Committee Rules.

Funk spoke to the HR Wage Study. Additional clarification is needed and Kaulius will discuss this with Funk.

Funk spoke about the tennis court replacements. Replacing one court would cost \$50K, replacing four would cost \$36K each. One court needs to be done now, another is coming up soon. \$50K are in reserves for court replacements. The financing options are bank loan vs. borrowing from reserves vs. not reinvesting CDs. The Board approved borrowing \$94K from reserves. The Board requested staff draw up a policy for loans from reserves, including limits and payback definitions.

The Board reviewed the 2010 Estate Club activity summary and discussed Club fees.

Pat Collins, chair of the Image Committee, reported the committee's recommendation to paint three portions of the loop road wall with proposed perimeter wall colors. The sections to be painted are across from the entrances to The Greens, The Estates and The Legend. Collins recommended disbanding the Image Committee and forming a new group or committee, comprised of two architects, Funk and a member of the Board to make a final decision about the color. Cochill proposed Craig Taddiken as architect, Eugene Kaulius seconded, and the Board agreed unanimously. The new ad hoc committee members are Tom McGough (landscape architect), Taddiken, Funk and Collins. The committee will draft its purpose, focus and name.

A recent change by the Arizona legislature necessitated changes to the signage and open house rules of the Gainey Ranch Rules. The Board approved the changes.

Funk and Corcoran spoke about the impact of the National Healthcare Reform. Corcoran will investigate alternative plans.

The meeting was adjourned at 11:45 a.m.

Submitted,

Monika S. Goodwin
Administrator