

**CAUGHLIN RANCH HOMEOWNERS ASSOCIATION
MINUTES OF THE BOARD OF DIRECTORS' QUARTERLY MEETING
WEDNESDAY MAY 6, 2009 6:00 P.M.**

The following issues were discussed at the May 6, 2009 meeting of the Board of Directors of the Caughlin Ranch Homeowners ("Association" or "CRHA"). The meeting was held pursuant to notice on May 6, 2009, at 6:00 p.m. at the Caughlin Ranch Elementary School, 4885 Village Green Parkway, Reno, Nevada. The following Directors were in attendance William Magrath, Jeannie Cassinelli, Millie Burke, Chris Simon, Gail Sande, Gina Pedrini and Michael Chern. Also in attendance were Michael Trudell, General Manager, Linda Marino, Administrative Assistant, Katrina Rehkop, Secretary, Randy Lisenby, Landscape Supervisor and Michael Chapman, Legal Counsel for the Association. Attached is a sign in sheet for the members who attended.

Chairman Magrath called the meeting to order. It was noted there was a quorum to conduct business. Chairman Magrath introduced the Board members and CRHA staff. Chairman Magrath called for member comments.

HOMEOWNERS COMMENTS

A Traditions homeowner thanked CRHA staff for their assistance regarding several incidents that occurred in the Hunter Creek area of the Toiyabe National Forest. He stated that he has noticed abandoned campfires and evidence of firearms and empty alcohol containers. He stated his concern regarding the recent fire that was started in the Northwest near Peavine that was started by shooters. Manager Trudell stated that he had contacted Sheriff Haley and advised the member to contact the Neighborhood Advisory Board. The homeowner reported that he had contacted Commissioner Bernitz regarding the Hunter Creek area and he agreed to look into installing some signs for congested area, prohibiting firearms.

A Caughlin Glen homeowner asked for clarification regarding motorized vehicles on Caughlin Ranch pathways. Manager Trudell responded there are no motorized vehicles allowed on the pathways except for the Caughlin Ranch maintenance vehicles. President Magrath asked the homeowner to contact staff with any information regarding the scooter so CRHA staff can follow up on this issue. The homeowner thanked Mike and the staff for taking on the extra load created by not hiring an assistant manager which has saved the Association a large sum of money.

A DeerCreek homeowner repeated a previous request for an item to be placed on the agenda. He wants policy for homeowners submitting a letter to the editor of the Caughlin Rancher. Chairman Magrath directed staff to place this item on the next agenda.

Chairman Magrath called for any other comments. There being none, the Board moved to the next item on the agenda.

LANDSCAPE SUPERVISOR'S REPORT

Landscape Supervisor, Randy Lisenby, provided the Board with a brief update. He reported that the seasonal crew has returned. He reported completion of the following projects: The irrigation system has been turned on and fine tuned, spring cleanup, defensible space maintenance, fertilizing, and aeration, and clean up along Steamboat ditch. He reported upcoming projects include planting summer flowers, pruning, top dressing weak turf areas, and the Caughlin Club project. Director Burke stated the flowers look fabulous. She added there has been criticism in the past due to the expense of replanting the flowers twice a year. She feels that they add a tremendous value to the Caughlin Ranch.

Director Sande requested that the mowing be done on Wednesdays, Thursdays and Fridays, rather than the first part of the week so everything looks really nice for weekend visitors. Randy reported that a majority of the mowing occurs on Monday because of TMWA's designation of Mondays being a "no watering day." Lisenby

concluded that variances from TMWA are also a key factor. Director Burke asked about the dandelions and he responded that when the winds stop, the weeds will be sprayed.

A Juniper Trails homeowner thanked Randy for the maintenance of defensible space. A Caughlin Creek homeowner asked about replacement of trees that have been damaged in traffic accidents and if CRHA pursues recovery for damages. Randy replied that when a tree must be removed, it is placed on a list but tree planting is done in the fall. For specific information as to what money has been recovered, the office has that information. When possible, staff files a claim for restoring the common area.

EVALUATE ALTERNATIVES TO IMPROVE IRRIGATION EFFICIENCY

Manager Trudell reported the annual walk-through was conducted on April 25, 2009. The Board noted a couple of common areas during the walk through for removal of some of the turf to promote water conservation. The Board formed a sub-committee. Director Chern and Director Pedrini volunteered, and it was agreed that members who have a background in irrigation efficiency would be asked to join the committee. Manager Trudell commented that in the past, homeowners have requested that staff consider the TMWA spritzer or a similar system to the one that was placed in the Alum Creek area. The Manager noted that there is a spritzer watering system in use on McCarran by Safeway. The Manager reported that there are two sections with this type of system and the area is loaded with dandelions. When the turf gets deep watering, it is thick enough to prevent most weeds from getting established. TMWA did not have much success with this system and doesn't even really promote that system anymore.

REPORT FROM THE APRIL 23 ADVISORY COMMITTEE MEETING

On April 23, 2009 the Caughlin Ranch Neighborhood Advisory Committee Members met. Directors Cassinelli, Burke, and Pedrini along with several Advisory Committee members were in attendance. Director Cassinelli provided the Board with a brief summary of the following neighborhood issues. It was reported by the Vantage Point representative that two homes in the area have gutters that are falling off. The Evergreen representative reported on skateboarders coming down Caughlin Parkway. Director Cassinelli encouraged members to contact Reno Police Department. There was a report regarding a pigeon problem in the Evergreen sub-division. A homeowner is putting out large bowls of bird seed and it attracts a large number of pigeons. Manager Trudell was asked to contact the homeowner and advise them that it is becoming a nuisance. Chairman Magrath stated that he has been approached by several homeowners concerned about restrictions on feeding the birds because they enjoy putting bird feeders out to attract the birds. Chairman Magrath clarified that the Board is not prohibiting individual bird feeders. He added when large open bowls of bird seed are being set out and the practice attracts a large number of pigeons then it becomes a nuisance.

Residents of Cranbrook Circle in the Evergreen sub-division are requesting permission to construct improvements to a small strip of common area behind their homes. The Board gave permission with the stipulation that any changes be approved by the Architectural Control Committee prior to making any improvements.

Mayberry Meadows is still having vandalism problems. Director Cassinelli reported that she advised them to contact RPD. The Mayberry Meadows residents expressed gratitude regarding the Board's letter of support with the traffic mitigation issue. It was reported that Whispering Pines has parking issues caused by the day hikers. At the walk through, the Board directed Randy to paint the curbs red in these areas. The Eastridge sub-division has garbage in the ravine. Ownership of that property it is unclear; the Board directed Randy to determine if this is Caughlin Ranch property and if so, to clean up the area. It was reported that a utility trailer has been parked in the Village Green subdivision. A Mayberry Meadows Advisory representative requested CRHA connect the pathway from River Run to Mayberry Drive. It was reported that pedestrians have to walk

in the street because the paths do not connect. The Board directed Manager Trudell and Randy Lisenby to report back to the Board with cost estimates.

APPROVAL OF MINUTES

The next item on the agenda was the approval of the February 5, 2009 Board minutes. The Manager stated that there was an incomplete sentence that has been corrected. Upon a motion and a second, the Board unanimously approved the minutes.

2009 BUDGET REPORT

Manager Trudell provided the Board with an update on the 2009 budget. He stated that he had provided the Board with five (5) budget reports. He reported that Nevada law requires that the Association use accrual accounting for its financial records. The Board has requested that CRHA staff provide a Cash Report in addition to the accrual accounting reports generated by the YARDI program. The Manager reported that the 2008 year-end will not be closed until the financial audit for 2008 has been completed and the financial records are reconciled with the financial audit. The CFO Group conducted the 2008 financial audit on the week of April 27, 2009. Accordingly, the Year to Date figures illustrates a combination of 2008 and 2009 financial records. The Month to Date net income/loss, indicated on the bottom of Page 2, illustrates a balance of \$96,599.94 through March 2009. The balance sheet illustrates the balances of the Association's various bank accounts. The ending balance in the Association's Operating (Checking) Account as of March 31, 2009 was \$136,597.67. The Budget Comparison Cash Flow (accrual) Jan 2009 – Mar 2009 report illustrates the combination of January, February and March in the MTD Actual to MTD Budget columns. President Magrath asked manager Trudell entity Association is currently on track. Manager Trudell report and that because it's early in the year we have a surplus. Through the month of March, there is a surplus of \$15,450 for the Assistant Manager, due to the fact that the position has not been filled (Line 32); there is a surplus in legal fees of \$9,314 (Line 38); and, there is a surplus of \$5,042 in taxes because the Association's Accountant suggested that the Association budget \$10,000 for federal taxes for the EIG stock sale, and based on the accountant's recommendation, \$4,953 was paid to the IRS (Line 43). Most of the other surpluses illustrated will be decreased over the year as actual expenses occur for those line items.

The Reserve Accounts illustrate that the year end projected balances are close to the amounts projected in the Association's reserve studies. There is only one significant difference in the ending balance. The Balance of the CRHA NRS Chapter 116 Reserve Account ending balance for 2008 was \$352,327 (Line 103). The ending balance projected in the NRS 116 Reserve Study for 2008 was \$87,076. The ending balance estimated in the 2009 budget is \$549,401. The ending balance projected in the NRS 116 Reserve Study for 2009 is \$237,218. The Board has requested that the Association's Account balances be summarized on one sheet. The Total Balance of Reserve/Cash Accounts is \$1,832,383.84. Chairman Magrath asked if there were any questions from the Board or members who were present. There were none. Upon a motion and a second, the Board unanimously approved the first quarter Budget Report ending March 31, 2009. The balances of the Association's accounts for 3/31/09 are attached to the minutes of the Board meeting as Exhibit A. Director Burke asked Manager Trudell to explain the negative amount on the line item in the reserve accounts. Chairman Magrath directed the Manager to schedule a meeting with Director Burke and Eric Kronawetter, the Association's Accountant to answer any questions.

CAUGHLIN CREEK/DEERCREEK GATE CLOSURE SURVEY

The Board discussed the results from the Caughlin Creek/DeerCreek gate closure survey. A member requested that a survey be sent to the Caughlin Ranch Class "C" membership to determine if the majority of those members want the Caughlin Creek gates closed 24/7, and if not, identify the preferred hours of operation. The Association received a total of 112 surveys; 81 were not in favor of the 24/7 gate closure and 31 were in favor of closure. The majority of members voted to have the gates open at 6:00 a.m. – 8:00 p.m. in the winter and

6:00 a.m. – 9:00 p.m. in summer. Upon a motion and a second, the Board unanimously approved the hours of operation and declining closing the gates 24/7.

APPROVAL OF THE MARCH 14 STRATEGIC PLANNING SESSION REPORT

The Board discussed the approval of the March 14 Strategic Planning Session Report. Chairman Magrath stated that he would abstain, from voting because he had only attended the meeting briefly due to a conflict. Upon a motion and a second, the Board approved the Strategic Planning Session Report and instructed CRHA staff to post this report on the Association's website.

DISCUSSION OF IRRIGATION AUDIT FOR CAUGHLIN CREEK FRONT YARDS

At the February Board meeting a Deer Creek homeowner requested that the Board respond to his concerns regarding Caughlin Creek homeowners' front yard water usage. He reported that irrigation for the front yards of 63 Caughlin Creek properties comes from water meters that are a part of the Association's common area irrigation system and that without a system in place to meter individual consumption, there is potential for the Association to not be fully reimbursed for this usage. The Board instructed Caughlin Ranch staff to conduct the irrigation audit. Chairman Magrath stated that he was surprised and disappointed by the outcome. Manager Trudell reported that Caughlin Creek Homeowners Association reimburses the Caughlin Ranch Homeowners Association \$4,452 per year for irrigation. The Manager reported that the result of the audit indicates that the estimated irrigation cost is \$20,789. Chairman Magrath stated that Caughlin Ranch appears to be subsidizing the cost of watering Caughlin Creek front yards for 63 homes. Chairman Magrath instructed the Manager to notify the Caughlin Creek Homeowners Association of this report. He added this issue needs to be cleared up as soon as possible and we need to figure out a way to make sure Caughlin Ranch is fully reimbursed for this cost. He feels it is the duty of the Board to make sure Caughlin Ranch is fully reimbursed. A DeerCreek resident asked how the \$4,400 in the original agreement was decided. Manager Trudell answered the amount was established in 1998 and agreed upon between the two Boards. The DeerCreek homeowner asked the Board about reimbursement from 1998 to 2009. He added that he had conducted his own investigation and feels installing individual water meters should be considered. Director Burke responded that she would not be comfortable going back 10 years. She added that the point made is certainly valid; that it has been subsidized all this time. Director Burke then stated, "Frankly, I just don't think that it is fair to the people that live there. I think that we start here and go forward." She stated when the system needs to be replaced, that would be a good time to separate the meters. Chairman Magrath stated to install individual water meters would be a tremendous expense to the homeowners and for Caughlin Ranch as well because our common areas are irrigated with those systems and a special assessment would need to be considered. A Caughlin Creek homeowner pointed out adjustments would have to be made because the common areas are not just for Caughlin Creek residents. Another homeowner stated that the difference is \$16,337 a year. If you divide that among 2200 homes, it is less than \$10 a year per each member. A DeerCreek homeowner stated that the Class C members are paying for the Caughlin Creek common areas. Manager Trudell clarified that those common areas were deeded over to Caughlin Ranch years ago. The Board directed the Manager to refer this matter to the Caughlin Creek Board and report back. No further action was taken. (See attached transcription of the discussion of this agenda item).

LOCKBOX SERVICE FOR PAYMENT OF MEMBERSHIP ASSESSMENT

The next item on the agenda was the lockbox service for processing membership assessments. Manager Trudell reported that representatives of Alliance Association Financial Services (affiliated with Torrey Pines Bank) attended the February 5, 2009 Board meeting and made a presentation. At that time, the Board directed staff to research implementing this service and report back to the Board.

CRHA staff has researched the issue and it was noted that the Association must purchase an upgrade of the Association's current software in order to implement the lockbox service. The e-banking requires YARDI Genesis an upgrade to the current software and an add-on module to be compatible for importing and exporting

account data. The Manager noted that the cost for the upgrade to the YARDI Genesis software is estimated to be \$8,056.36.

The Manager reported that CRHA staff currently provides payroll accounting services in house. The YARDI Genesis software does not offer the payroll module. It was recommended that the Association outsource its payroll accounting services. The Manager stated that Intuit Payroll Services was recommended by The CFO Group. He added the cost for the payroll services is \$9.95 per month with the first 6 months at no cost to the Association. He reported that Western Alliance requires a special scan code be placed on each statement, the statements must be outsourced. The fee for printing each statement is \$.032 plus the cost for postage. The Manager reported that The CFO Group has recommended that the Association discontinue sending out quarterly statements, and simply send out one coupon book each year. The Manager stated that coupon books should be implemented in 2010. The Manager recommends that the Board adopt a policy to prohibit CRHA staff from collecting any cash payment. Upon a motion and a second the Board approved the lockbox service with Alliance Association Financial Service and authorized staff to open accounts with the five financial institutions to maximize the FDIC insurance. The Board instructed CRHA staff to purchase the upgraded YARDI software, and approved contracting with South Data to print the statements as well as including contracting with Intuit Payroll Service. Director Sande disclosed that her husband is on the Board of Directors of Alliance Association Service so she would abstain from voting.

A Caughlin Creek resident asked why the Association is putting our money in a Las Vegas bank. Manager Trudell explained that the money is placed in five banking institutions licensed throughout the state to ensure FDIC coverage utilizing local branches when possible. The money does not remain in the Vegas bank.

SUB-COMMITTEE REPORT ON SALARY AND BONUS STRUCTURE

The next item the Board discussed was the sub-committee report on the salary and bonus structure. Director Burke provided the Board with the committee's findings. She explained this sub-committee was formed by the Board to look into bonus and salary structures. She reported that each full-time position was evaluated. She added that the salary structure is meant as more of a guideline. Director Burke stated that the Board would have full control. She explained the formulas used and that the committee recommendations are higher for what they would be for the industry average because CRHA has fewer employees who perform a multitude of tasks. Director Simon publicly thanked Director Burke for her hard work. Director Burke stated that during this process, the Committee solicited input from all Board members as well as Manager Trudell. Chairman Magrath explained that every year, the Board could go to a certain set of guidelines to determine what salaries are in the west and using these guidelines, determine where in the percentile the salaries for Caughlin Ranch should be. When we hire someone new, the salary is always going to start at 25%; if the salary is in the range of the 25 to 50%, they could be eligible for up to a 6% increase but that's "up to". If an employee is in the top 75%, the maximum increase they could have would be 4%. In other words, the higher the salary, the lower the percentile for increase. Chairman Magrath expressed his concern about the 75% issue because he's concerned that if an employee of Caughlin Ranch happens to be in the top 75% of their salary range, all they would get is the cost of living, then that becomes a topped out position. Director Burke stated that one of the issues we have at Caughlin Ranch is that we have a lot of long-term employees that have been on an upward curve for their salaries for many years. It is very important to have a bonus structure in place. That is the sort of thing employees can work for so that they exceed expectations, and they are eligible for a variety of bonuses that are outlined in the guideline. Chairman Magrath explained there would be different levels of the bonus structure. Director Burke stated the intent is, at the end of the year, the General Manager would evaluate staff and make recommendations. The Board will evaluate the General Manager and make recommendations. The policy provides for two employees to receive a gold bonus. She reported that a gold bonus may be eligible to receive 4% of their salary as an increase. So the biggest bonus under this program as written would be a 4% increase of the total salary. She reported on the silver level, up to 2% and the bronze level, up to 1%. Chairman Magrath

stated he can accept the guideline as written. Director Burke stated that there are some Board members that believe there should be no bonuses. Others believe they're too low. She recommended the pool for bonuses be \$10,000 a year. She also indicated that the seasonal crew should not receive a bonus until they return. Director Sande stated she would like to see how much the benefits impact the employee salaries. There was discussion regarding employee's benefits. Chairman Magrath asked when this guideline would be in effect. Director Burke stated the subcommittee's intent was to have the Board decide whether or not to approve these guidelines and to implement the policy immediately. Director Burke thanked Jeannie Cassinelli and Chris Simon for their input. Chairman Magrath thanked the committee as well. Director Pedrini motioned to approve the salary and bonus structure policy and to implement the guidelines immediately. The Board voted 6 in favor and one against. The motion passed.

A Traditions homeowner asked for clarification as to whether salaries would be adjusted resulting in a negative impact on current salaries. Director Burke indicated that this would not affect salaries for 2009; however, there will be changes in 2010. Director Pedrini made a second motion to form a second committee to evaluate benefits. Discussion followed and Manager Trudell was directed to provide employee benefit information to the Board and to place this item on the next agenda. Director Pedrini withdrew the second motion.

IMPLEMENTATION OF ONE-WAY ELECTRONIC E-MAIL COMMUNICATION

Director Pedrini and Director Chern collected information regarding electronic communication in an effort to cut costs. Director Pedrini provided the Board with a report. She stated that not sending out the minutes and other required notifications would save the Association money. She added that the minutes would be available on the Association's website in draft form and once the minutes are approved, they would be e-mailed to participating members. If a member chooses not to receive electronic communication, the minutes would be available at the Association's office, at no cost. She added that the Association is required by NRS to send out a written authorization form and that the form must be signed by the member if they elect to be notified by electronic mail format. Director Pedrini stated that the cost for Constant Contact, a service provider, is \$30 a month with unlimited e-mails. A homeowner asked about the amount of money the Board expected to save with this procedure. She replied that the cost to send out a packet is at least \$2500, and the postage alone is substantial enough to warrant this change. Director Chern stated there are many features that this company has available such as templates for newsletters and surveys. She added that if homeowners do not elect to receive electronic e-mail, they will continue to receive notifications via regular mail. The Board directed staff to contract with Constant Contact and implement the electronic e-mail system. The Board directed Michael Chapman, the Association's Legal Counsel to verify the privacy policy and report back to Manager Trudell. Upon a motion and a second the Board unanimously approved Constant Contact as the Association's e-mail provider.

UPDATES FOR THE CAUGHLIN RANCH WEBSITE

The Board discussed the various updates for the Caughlin Ranch website recommended by Director Pedrini and Director Chern. Director Chern stated they had met with Dave Marino, from Omni Web Design to discuss various updates to the Caughlin Ranch website. The Board discussed the proposal and directed CRHA staff to instruct Omni Web Design to proceed with the updates. Upon a motion and a second the Board unanimously approved the proposal.

RESOLVE THE ROLE OF THE LANDSCAPE COMMITTEE

The Board noted that the Committee has completed the tasks set forth by the Board. The Board thanked the members of Landscape Committee for all their hard work. No further action was taken.

INCREASING FINES FOR CC&R VIOLATIONS AND CHANGES TO THE ADMINISTRATIVE RULES & REGULATIONS

The Board previously discussed the need to increase the Administrative Fines Structure for CC&R violations at the March 14 Strategic Planning Session. The Manager indicated that NRS 116.31031 places limitations on the amount of a fine at \$100 per occurrence and each fine must be commensurate with the severity of the violation. He added that the Association's current fine structure was established with the \$100 limitation on the initial fines. Chairman Magrath recommended this item be deferred until the next meeting. He stated that there are several issues that could affected this item by the current legislative session. The Board agreed and deferred this item to the next meeting.

DISCUSSION REGARDING THE ASSISTANT MANAGER POSITION

The Board discussed the assistant manager position. Manager Trudell stated he has attempted to fill this position with two (2) qualified candidates. He added that he has been busy with monitoring the current bills at the Nevada Legislature. He added that the Association has not spent any funds for advertising to fill this position. The Manager recommends that he initiate advertising for the assistant manager position after the Nevada Legislature has concluded this session in June. Director Sande stressed the importance of hiring an assistant manager. She stated that she would like the Board to consider hiring a professional lobbyist for the next session and to partner with other communities. She stated that legislature session is taking a lot of the Manager's time away from the office. Chairman Magrath agreed that the legislative issues are top priority. The Board determined that this issue will be re-visited in 2010 budget process. The Board agreed to have the Manager initiate advertising for assistant manager position after the Nevada Legislature has concluded its session in June.

PROPOSAL TO ADOPT NEW POLICY FOR ACC NOTIFICATION TO SUB-ASSOCIATIONS

Director Pedrini requested that a new policy be adopted for private sub-associations within Caughlin Ranch. She requested that the Architectural Control Committee (ACC) provide a written copy of all correspondence that grants approval for construction or demolition projects in the private communities. She added that the President of the sub-association and the Community Manager shall receive a written response of the ACC projects. She stated that a communication link is important and this would help reduce the chance of damages that may occur. The Board agreed. Upon a motion and a second the Board unanimously approved the ACC written notification to the sub-association Board President and its Community Manager within their private sub-association.

PROPOSAL FOR REVISED BOARD MEETING STRUCTURE

At the March 14 Strategic Planning Session Director Cassinelli suggested that the Board members discussed the need to revise the current Board meeting dates and to implement a new meeting structure. Director Cassinelli and Director Sande provided with two proposals. Director Cassinelli stated that both proposals are to help increase the effectiveness and efficiency of the Board meetings. She stated that two additional Board Meetings would be added per year. She stated this would give the Board of Directors the opportunity to gain in a forward momentum, and would enable the Board to accomplish more goals in a shorter period of time with less downtime between meetings. She added implementing a consent agenda and a specific timeframe will help reduce the length of the meetings and if the item is not resolved, it is to be carried over to the next scheduled Board meeting. She stated that a 2 minute rule will be enforced to keep an efficient agenda item timeframe. This would apply to questions, comments and answer, and applies to homeowners, CRHA staff and board members. She stated that the meeting will be held from 7:00 p.m. to 9:00 p.m. Director Cassinelli stated a consent agenda should be created where all items on the consent agenda are approved with discussion, unless a Board member wants to pull a specific item off the consent agenda. She concluded that the executive session should be conducted prior the Board meeting. She stated that proposal #2 is similar however the Board meetings would be kept as current. The Board discussed the two proposals. The Board agreed to proposal #1 which would add two additional Board meetings dates and revise the current 2009 meeting schedule. The Board agreed to implement the new Board agenda structure and adopt the new criteria. The Board noted the following

meeting dates; July 8, 2009, September 2, 2009 and September 16, 2009 at 7 p.m. to 9:00 p.m. The location would need to be determined. The Board noted that this would revise the 2009 current Board meeting schedule. The Board instructed CRHA staff to notify the membership of the new meeting schedule for 2009 along with the new Board meeting policy. Upon a motion and a second the Board unanimously approved the revised Board meeting structure and schedule.

POLICY AND COST TO CONTINUE TO MAIL THE BOARD MEETING MINUTES OR SUMMARIES OF MINUTES

The Board discussed the policy and cost to continue to mail the Board meeting minutes. The Manager stated a request was made by Director Pedrini at the March 14 Strategic Planning Session to discontinue the distribution of the Caughlin Ranch Board minutes and summaries. Director Pedrini stated that the Board adopt a new policy to discontinue with the high cost of producing and mailing of the minutes. She stated with the implementing of the electronic e-mail members can elect to receive the minutes or other notifications via e-mail. She added the minutes would be available on the Caughlin Ranch website and if a homeowner chooses not to receive e-mail, copies would be available for pick up at the office, free of charge. Upon a motion and a second the Board adopted the policy to discontinue mailing of Board meeting minutes.

HOMEOWNERS' COMPLAINTS/CONCERNS

The Board discussed the Homeowners' Complaints and Concerns Report. The Manager reported that as of Monday, all issues had been addressed. When an issue is found to be a violation, it is "closed" on this report and is placed on the CC&R Violations report for follow up. The Board took no further action.

SUMMARY LOG OF CC&R VIOLATIONS AND CREW UPDATE

The Board discussed the summary log. Director Burke complimented staff's efforts in creating and maintaining the summary logs. No further action was taken.

UPDATE REGARDING THE NEVADA LEGISLATIVE SESSION

The Manager provided the Board with an update on the Nevada Legislative Session. He stated there are currently 16 bills being tracked by Director Bill Magrath and Manager Trudell. At the start of this legislative session there were 19 BDRs sent to LCB for proposed bills regarding the common interest community (CIC) industry. The Board noted that Chairman Magrath and the Manager Trudell have attempted to keep all of the Board members informed by email of the Association's activities, testimony and actions to support, amend or oppose each of these bills.

Chairman Magrath reported that the 75th Session of the Nevada Legislature is a little more than half way completed. The final disposition of these bills will not be known until after June 2 and after Governor Gibbons has signed the bills into law. The Board thanked Chairman Magrath and the Manager for all their efforts.

CAUGHLIN RANCH BOARD MEMBERS' INSURANCE COVERAGE FOR PUNITIVE DAMAGES CLAIMS

The Board discussed the Board member's insurance coverage for punitive damages. Chairman Magrath stated this issue has come up in several bills (AB 350, SB 182 and SB 183). Chairman Magrath indicated that he was successful in getting the Assembly Judiciary Committee to delete the reference to punitive damages from AB 350. Chairman Magrath met with several Senators and Assemblymen to discuss the need to remove punitive damages from the other two bills and from NRS 116.31036. Chairman Magrath's efforts are above and beyond the call of duty as a Board member, and are very exemplary of his passion for Caughlin Ranch and the CIC industry.

The Manager stated that Glen Gonfiantini provided a written response to whether or not the Association's insurance policy covers Board members for punitive damages. Mr. Gonfiantini provided a copy of the Association's Directors and Officers liability policy with CNA. Under the Community Association Policy, Association Liability Coverage Part, Page 1, the definitions include punitive damages under the term Loss. The Board took no further action.

The Board asked if there were any other comments. There being none the Board moved into executive session

BOARD EXECUTIVE SESSION

The Board discussed the review of NRS 116 regarding the voting to commence a civil action regarding the Hawken Fire. Michael Chapman provided the Board with his recommendation. Mr. Chapman reported that it would be in the Board's best interest not to proceed with this civil action. The Board agreed.

APPEAL OF A BOARD ACTION

At the February 5 Board meeting the Board agreed that the homeowner disturbed the common area slope behind his property. The Board directed the homeowner to revegetate and provide an over head irrigation to the disturbed common area. The homeowner disagrees with the Board prior action and requested an appeal. The homeowner is threatening legal action. The Board noted that they reviewed the slope during the Board's annual walk through and agrees to it prior action. The Board asked if the homeowner was present at the meeting. The Manager indicated that he was notified of the Board meeting, however was not attendance.

PERSONNEL SESSION

There being no further business to come before the Board. The meeting was adjourned at 9:45 p.m.

Mildred Burke
Secretary

****Unofficial transcripts of the Board of Directors meeting conducted on May 6th and July 8, 2009, prepared by a member of the Board of Directors, are available for review at the Caughlin Ranch Homeowners Association's office upon request, and will be kept on file with the Association as an unofficial transcript of the board meetings.**