

MINUTES OF THE
CAUGHLIN RANCH HOMEOWNERS ASSOCIATION
AUGUST 20, 2008
BOARD OF DIRECTORS MEETING

The following issues were discussed at the August 20, 2008 meeting of the Board of Directors of the Caughlin Ranch Homeowners Association ("Association" or "CRHA"). The Board meeting was held pursuant to notice at 6:00 p.m., at Dickson Realty, 1030 Caughlin Crossing, Reno, Nevada. The following Directors were in attendance: William Magrath, Jeannie Cassinelli, Millie Burke, Grant Sims, Michael Ginsburg, and Chris Simon. Also in attendance were Michael Trudell, General Manager, Linda Jussen, Administrative Assistant, Katrina Rehkop, Assistant, Randy Lisenby, Landscape Supervisor, and Michael Chapman, Legal Counsel for the Association. Attached is a sign in-sheet of the members who also attended.

Chairman Bill Magrath called the meeting to order. It was noted that there was a quorum to conduct business. Chairman Magrath reported that the Board of Directors had to re-schedule the August 4, 2008 Board meeting due to an error caused by JLH Presort (the Association's mailing company). JLH Presort failed to mail a Notice of the August 4, 2008 Board Meeting to 112 Association members. Accordingly, based on the advice of legal counsel regarding noticing restrictions in NRS 116, the Board made the decision to reschedule the meeting to August 20, 2008, which would allow for proper notice of the meeting. JLH Presort apologized for the mistake and provided the Association's membership with proper notification at no cost to the Association. Chairman Magrath stated according to state law, all Board meetings must be properly noticed and open to all members of the Association and to provide each member an opportunity for comments. He stated the first item on the agenda was the Caughlin Ranch members' comments. Chairman Magrath asked each member to provide their name and briefly describe their concerns.

HOMEOWNER COMMENTS

Patricia Blanchard, a Vantage Point homeowner asked if the Board would consider conducting a Neighborhood Watch Program event for the entire community. The Board directed Manager Trudell to contact the Reno Police Department to set up an event and notify the members.

Kevin Futch, a Mayberry Meadows homeowner, reported on several issues related to recent acts of vandalism and crime in his neighborhood. Mr. Futch stated his concerns and reported that there have been incidents of speeding vehicles, burglaries, broken windows, smashed mailboxes and both autos and homes being egged. He stated that several vehicles are using this neighborhood as a thorough fare to and from Crissie Caughlin Park and Reno High School. The homeowners in Mayberry Meadows are concerned and requested that the Board and the Association provide some assistance in these matters.

Chairman Magrath stated that the Association can only enforce the Caughlin Ranch CC&Rs, which restricts the parking of boats, trailers, and RVs on public streets with the Caughlin Ranch development. He added that NRS Chapter 116 prohibits the Board from enforcing any CC&R or other Association rule on public streets, with the exceptions previously noted. Manager Trudell noted that speed bumps were installed by the City of Reno as part of a traffic calming device. It is generally understood that emergency vehicle operators discourage speed bumps because it slows down response time in the case of an emergency. Director Sims encouraged homeowners to attend their Ward One Citizens Advisory Board meetings. The Board discussed the issues. The Board directed staff to prepare a letter to the Reno Police Department, Reno Mayor Bob Cashell, Dan

Gustin, Pierre Hascheff and County Commissioner Jim Galloway and to invite them to attend the next Board of Directors meeting to discuss the issue of safety within Caughlin Ranch. The Board members agreed that the letters should be signed by all the Board members to encourage the elected officials to attend the next Board meeting.

Jim Wallace, a Traditions homeowner, thanked Jeannie Cassinelli and the CRHA staff for their efforts on the Hawken Fire Restoration Project and clearing the defensible space in the common areas behind his home. [JB1]He thanked Manager Trudell for the nice job Sierra Maintenance had done on the repaving and sealing of the MountainShyre roadways. Mr. Wallace stated, by comparison to the road sealing the City of Reno had recent[JB2]ly completed, the Association's road sealing is much cleaner and provides for a smooth surface.

Judith Hepburn, a Mayberry Meadows homeowner thanked CRHA staff for the quick response on the clean up of the graffiti in her area.

Chairman Magrath asked if there any other comments. There being none, the Board moved to the next item on the agenda.

ADVISORY COMMITTEE REPORT

The Board discussed the July 17, 2008 Neighborhood Advisory Committee meeting. Chairman Magrath stated that Director Simon and six Advisory Committee members were in attendance. An Eaglesnest representative reported on several incidences of BB gun window shootings within Caughlin Ranch, targeting homes as well as vehicles. There was discussion on more communication between the membership regarding incidents within Caughlin Ranch. Manager Trudell was instructed to write a letter to Reno Police Department and Washoe County Sherriff's Office asking for additional patrols and to attend a meeting to discuss these types of reports. Chairman Magrath encouraged all members to file a police report on any criminal activity – so the statistics will document the actual vandalism and malicious mischief in our community. There was discussion on auto and garage burglaries reported in the area. Chairman Magrath added members should be encouraged to keep their vehicles locked if left out outside and valuables stored out of sight. Garage doors should also be closed at night. A Juniper Trails representative noted that a series of mailboxes have been bashed over recent weeks and also reported smashed light fixtures along the street at her driveway and entrance walk-way.

Several of the committee members expressed their appreciation for the CRHA crew's hard work for the ongoing clean up of the Association's common areas to provide for defensible space. In addition, it was noted that an area adjacent to Caughlin Parkway had become overgrown with large native brush in the proximity of the upper bridge. Several members requested that CRHA crews trim the brush to improve sight distance on this public road. That work was done before the Board meeting took place and Chairman Magrath thanked Mr. Lisenby and the CRHA crew for their quick response to remove the overgrown brush.

There was discussion on e-mail communication between the members and if the Board considered a "list serve" System to facilitate communication. Chairman Magrath added his concerns regarding email communication and reported that this issue had been discussed at the Board's strategic planning session and is still being considered by the Board.

An Advisory member reported that a Neighborhood Watch program should be in place. It was noted that the City of Reno's website includes information regarding how to set up a Neighborhood Watch program for individual neighborhoods.

There was a concern regarding over-stuffing of trash cans and the need to inform homeowners that plastic garbage bags (up to 5 large plastic bags) can also be used in addition to the regular garbage can. Members should avoid over-stuffing their garbage can to avoid trash from blowing onto neighboring properties.

APPROVAL OF THE MAY 5, 2008 MINUTES

The Board discussed the approval of the May 5, 2008 minutes. Upon a motion and a second, the minutes for the May 5, 2008 were unanimously approved.

REPORT ON THE 2008 BUDGET

The Manager provided the Board with an update on the 2008 Budget through June 30, 2008. Manager Trudell noted that the Board requested additional reports, such as the Caughlin Ranch bank statements, Morgan Stanley Reserve statements and the reconciliation reports from the Association's accountant regarding each of the Association's accounts. The Manager added these reports have been included. He reported the balances of the Association accounts have been reconciled by the Association's accountant through June 30, 2008. The balances of the Association's accounts are as follows:

Operating Bank Account:	\$ 136,819.96
Operating (Cash Reserve) Account:	\$ 328,285.39
Caughlin Ranch Park Tax Account:	\$ 89,874.58
Caughlin Creek/Class "C" Reserve Account:	\$ 131,783.10
Incl. CD WA Mutual 3.2% \$95K 12/08	\$ 95,000.00
Incl. CD WA Mutual 3.2% \$95K 12/08	\$ 95,000.00
MountainShyre/Class "D" Reserve Account:	\$ 110,939.00
Ellicott Reserve Account:	\$ 9,179.54
NRS 116 Reserve Account:	\$ 334,396.81
Legal Appeal	\$ 19,458.21
Incl. CD WA Mutual 3.2% \$90K 12/08	\$ 90,000.00
Incl. CD GE Capital 3.2% \$90K 12/08	\$ 90,000.00
Incl. CD Countrywide 3.2% \$90K 12/08	\$ 90,000.00

(Note: The reserve accounts will be reduced by the expenditures budgeted for 2008)

Director Burke asked what the state law requires on collecting past due assessment on foreclosures. The Manager reported when the bank repossesses a property the Association can recover up to six (6) months of past due assessments. Director Cassinelli asked the Manager how much the Association charges for transfer fees. The Manager reported the Association charges a \$100 transfer fee along with \$.25 per page for governing documents. Director Cassinelli added that Caughlin Ranch transfer fee is one of the lowest in the area. The Board instructed the Manager to check the Association's governing documents, and report back to the Board regarding the Board's ability to increase the transfer fee. The Board discussed several line items in the budget. Director Sims asked if the line item for the trail maintenance was adequate? He asked the manager if he anticipated an increase in the 2009 budget due to increases in the cost of oil and oil based products? The Manager

noted that the amounts used in the calculations for the 2005 Reserve Study were adequate. The manager stated that during the preparation of the 2005 Reserve Study he had anticipated the increase costs of oil based products. Accordingly, unlike many associations that did not adequately provide for reserves, the manager concluded that the Association's reserve were in good shape.

Chairman Magrath reported on the recent Judgment awarded to the Association in the lawsuit commenced by Mr. and Mrs. Pappas. Chairman Magrath stated that District Judge Steven Elliott awarded the Association all of the Association's legal fees and costs, including pre-judgment interest, in the total amount of \$289,000.00. He stated that upon entry of the Judgment, Mr. and Mrs. Pappas filed a Notice of Appeal of the attorneys' fee and costs award but paid the \$289,000 to Association to avoid paying further interest on this sum. The Association has placed those funds in a separate interest bearing account, pending the outcome of the appeal. He added a mandatory Supreme Court Settlement Conference is scheduled for September 15, 2008. Director Burke asked if the recent attorney fees on the appeal are included and will the Association be reimbursed. Chairman Magrath indicated that the fees since the May 22, 2008 hearing are not currently included in the Judgment; however, if the Association is successful in the appeal, the Association could file a motion with the District court for the additional attorney's fees and costs.

Chairman Magrath next reported that when the Employer's Insurance Company went public, the Association and other Nevada companies became stockholders in the new publicly traded company. He reported that Nevada law prohibits the Association from owning any kind of investments or stocks, so the Association sold all of its shares and received \$233,000.00. These funds will be deposited into the Association's general account as income and tax will be due on the gain from the issuance of this stock. This one time source of income will be considered when the Board prepares the 2009 Budget.

There were no more questions regarding the 2008 budget. Upon a motion and a second, the Board unanimously approved the Manager's quarterly budget report through June 30, 2008.

APPROVAL OF THE 2008 STRATEGIC PLANNING SESSION REPORT

The Board discussed the Report of the 2008 Strategic Planning Session prepared by Manager Trudell. The Board agreed with the comments to the Report provided by Director Burke. Upon a motion and second, the Board unanimously approved the strategic planning report, as amended by Director Burke.

SET DATE FOR THE SECOND STRATEGIC PLANNING SESSION

The Board discussed the second strategic planning session for the Board and that all members will receive notice of this planning session. Director Sims stated that he would like the Board to include an agenda item for the session to provide Board direction to the Manager for the preparation of the 2009 "draft" budget. The Board tentatively set aside the dates of [JB3] September 13th or 20th. The Manager was instructed to contact Robert Rowland, who facilitated the first Strategic Planning Session, and to confirm the date.

2007 FINANCIAL REPORT AND STATEMENT ON AUDITING STANDARDS LETTER

The Board discussed the 2007 (Annual) Financial Statement and Independent Auditors' Report and the Statement of Auditing Standards Letter provided to the Association by the Association's auditors, The CFO Group. Manager Trudell explained that there were only two outstanding line items which remain to be reconciled by the Association's accountant. He reported these items will

be resolved shortly and CRHA staff will proceed with closing the Association's 2007 financial records. Upon a motion and a second, the Board unanimously approved the Financial Statements and Independent Auditors' Report (December 31, 2007 and 2006) and Statement of Auditing Standards Letter.

CAUGHLIN RANCHER QUARTERLY NEWSLETTER PUBLICATION

The Board discussed the *Caughlin Rancher* quarterly newsletter publication. Manager Trudell reported that the *Caughlin Rancher* publication was recently published and distributed at no cost to the Association. Manager Trudell added that the first publication included a number of informational articles requested by the Board aimed at providing better communication with the Association's members. Chairman Magrath requested that the next publication include a "Top Ten List" of CC&R violations. Director Cassinelli asked that the *Caughlin Rancher* be added as an agenda item for the next Strategic Planning Session. Director Burke stated that she would like to see an article outlining what the Board has accomplished in the past year.

UPDATE ON ASSISTANT MANAGER POSITION

The Board discussed the Association's Assistant Manager position. Manager Trudell reported that he had hired Carol Hunter to fill the new assistant manager position. The manager stated that Ms. Hunter is an experienced community manager, certified by the Nevada Real Estate Division, who previously managed the Arlington Towers. The manager stated that Ms. Hunter's primary tasks are to assist with CC&R enforcement and to assist with the staff related responsibilities of the ACC. The manager added that Ms. Hunter has sent out over a hundred letters in response to CC&R enforcement. Manager Trudell stated that Ms. Hunter and CRHA staff have elevated the level of CC&R enforcement, as instructed by the Board and requested by the Association's members. He added that CRHA staff have recently received telephone calls from several homeowners who had previously not received a letter from the Association. Some homeowners stated they were offended by the tone of the letters and several requests were made to provide more specific details in the letter. Manager Trudell stated that he had apologized to the members who stated their belief that they had unnecessarily received letters. He indicated that Ms. Hunter was attempting to be consistent in sending the enforcement letters. He added that new procedures include photos attached to each letter and more specific information will be added regarding suggested corrective measures with future letters. The Manager noted that we are trying to approach the CC&R enforcement from a friendly reminder stand point, unless there is an obvious violation. .

SUMMARY LOG OF CC&R VIOLATIONS & CREW UPDATE

Randy Lisenby, Landscape Supervisor, provided the Board with his report on the crews' schedule. He reported that most areas of defensible space have been completed twice this year and the crew is getting ready to go back through the entire Ranch; all the tree and shrub pruning has been completed; every shrub has been fertilized; over 30 dead trees have been cut down and removed; CRHA crew has been busy with irrigation repairs; and, next month CRHA's crews will be planting flowers, shrubs and trees, in addition to the regular maintenance. In addition, he reported that four water conservation projects are underway: (1) Turf will be removed from an area in Caughlin Creek and the native area will be increased, (2) another area across Caughlin Parkway from the Caughlin Club will be returned to native, (3) one area along the lower Alum Creek, damaged by the 2006 flood, will be returned to native, and (4) the small patches of turf in the Westpoint subdivision will be removed, the new landscaping will include shrubs and some native areas will be increased. A homeowner stated that she appreciated the wildflowers and reported how breath taking they look this year. Director Burke asked Mr. Lisenby if he felt that the Landscape Review Committee had

been beneficial. Mr. Lisenby stated that the committee has been a tremendous help.

The Board discussed the CC&Rs Enforcement Report received by the Board. Chairman Magrath noted that the report is multiple pages that represent the efforts made by CRHA staff to enforce the CC&Rs. This report was prepared to show the Board the status of enforcement efforts. Manager Trudell explained that the homeowner receives a “friendly reminder” letter and a photo of the potential enforcement item, and then the property is placed on monitor status. Upon re-inspection, if there is no improvement and the condition has gotten worse or the potential CC&R violation has not been abated, the homeowner is sent a second letter by certified mail (in conformance with the Board’s Administrative Rules and Fines Structure) to inform the owner that a fine hearing has been scheduled and the issue has been placed on the agenda. Chairman Magrath stated this CC&R Enforcement Report cannot be disclosed to the members as it contains the names of members who have received enforcement letters and by law, due to confidentiality requirements, the Association is not able to disclose some of the information that the report contains. Chairman Magrath wanted the members to know that there are pages and pages of enforcement activity documented in the report and that it is amazing to him how much has been done in the last couple months. The report shows inspection dates, contact information, the initial fines, when the fine hearing is scheduled, and any continuation fines. The manager added that once an issue is resolved it is removed from the initial report and placed to a secondary resolved report.

HOMEOWNER’S COMPLAINTS AND CONCERNS

The Board discussed several homeowners’ concerns and complaints regarding skateboards. Chairman Magrath reported there has been a major disturbance regarding skateboarders in Caughlin Creek DeerCreek subdivision and it had become a nuisance. Chairman Magrath asked Manager Trudell if this issue has become less of a problem in the last week and if any progress had been made. Manager Trudell stated that a letter had been sent to a homeowner regarding skateboarding, and as a result, he had spoken to the individual homeowner regarding the activity in the neighborhood. The homeowner has been very responsive and has made changes. Chairman Magrath reported that he had contacted the Reno City Attorney’s Office regarding the City’s Reno Municipal Codes on skateboards. He added since the Association’s common area paths and certain roadways are private property, the City’s ordinance did not apply. Mr. Magrath reported that if the nuisance activity continued, the Board can pass a policy prohibiting certain skateboard use and if a member of guest of a member violated this policy, the Board could revoke the members’ right to use the common area for that purpose and provide notification to the persons offending the Association’s policy that if they did not leave the area, they could be arrested for trespassing. He added enforcement can include a possible fine by the Association and a trespassing warning could be given. The Board discussed the skateboard issue, including enforcement, safety issues, and Board policy. A homeowner asked if the Board had considered speed bumps. Director Simon stated he felt speed bumps would be more of a hazard for pedestrians walking at dusk. There are also reports of small motorized vehicles being driven on the Association’s pathways. Chairman Magrath noted that aside from posting signs, this is a tough issue to enforce. The Board directed CRHA staff to place “No Motorized” vehicles signs at the entrance to the trail system throughout the Caughlin Ranch in conformance with the Association’s CC&Rs. In addition, Board directed CRHA staff to place “No Motorized Vehicles” signs at the entrance to the Sierra Pacific Power Company’s maintenance road above Eaglesnest.

The Board discussed several concerns from homeowners regarding an instructor who provides private tennis lessons at the Village Green Park. Manager Trudell stated that several years ago, the Board granted a homeowner/instructor permission to teach tennis lessons at the park with the condition of hours of operation and the standard rules posted at the tennis courts. Director Sims stated if the Association is receiving complaints that the instructor is not meeting the conditions of the agreement. The Board directed Manager Trudell to meet with the instructor and to revisit the parameters of the permission granted by the Board to ensure that the instructor is in compliance with the Board's previous action.

The Manager reported CRHA staff has received several complaints regarding vehicles parked on public streets. He added due to Legislative changes to NRS Chapter 116, the Association and CRHA staff can only enforce the Caughlin Ranch CC&Rs which limit parking of trailers, RV and boats. He reported that the NRS 116 prohibits staff or the Board from enforcing the Association's other parking rules on public streets. He added that the Association can't regulate how many cars are parked on any public street. The manager added that any car parked on a public street, according to the Reno Municipal Code, must be moved every 48 hours. He added homeowners are encouraged to call Reno Direct (775-334-4634 or www.renodirect@cityofreno.com). They will come out and tag the vehicle and then they monitor it.

An Eastridge homeowner is concerned regarding a proposal from the City of Reno to install a trail system in the Rosewood Canyon and Rosewood Wash. Director Ginsburg stated that he would look into the matter.

A CreekrIDGE North homeowner requested that the Association plant additional shrubs around trees in the common area. It was not recommended by the Mr. Lisenby. The Board took no action.

The Manager reported on the status of a requirement that a CreekrIDGE homeowner re-vegetate a common area disturbed with the construction of improvements to the owners' rear yard. It was reported that the homeowners were concerned that CRHA crew members were walking in that area. The manager reported that CRHA crews have been instructed to stay off of the area. The Board noted that this area is improving.

A Cottages homeowner is requesting an explanation on who is receiving a bonus and why? The Board noted that no bonuses have been approved for this year, and this issue has not been reviewed or discussed by the Board, with the exception that the 2008 budget includes funds for possible staff bonuses.

REPORT FROM THE CHAIRPERSON FROM THE LANDSCAPE REVIEW COMMITTEE

The Board heard and discussed a report from the Landscape Review Committee. It was reported by Mr. Chern, Chairman of the Landscape Review Committee, that member Curtis Rislely, a member of the Committee, has announced his resignation from further service on the committee. He added that the committee members have revisited their goals and reported that the members do not have an appetite to serve on the committee indefinitely. Mr. Chern stated that the committee would like Board direction regarding two potential projects: (1) A web site extension for landscape issues; and (2) The creation of detailed maps for each neighborhood showing which landscaping exists in the common areas and what the crew does in those areas; including charts showing percentages of the crew's time for each neighborhood. The committee had two questions for the Board: Does the Board want to approve the committee's effort to move forward with the web site project? And, does

the Board want to appoint another member? Mr. Chern said he felt there is some misunderstanding of the crew's responsibilities. Committee member Charlene Oaks asked for more direction from the Board. The Board indicated that the Landscape Review Committee role would be discussed at the next strategic planning session. The Board directed CRHA staff to solicit applications from members for this opening on Landscape Review Committee and to include an application form in the next mailing to the membership so the Board could fill the vacancy at the next Board meeting.

UPDATE ON THE 2008 PATH SEALING AND PAVING PROGRAM

The Board discussed the 2008 Path Sealing and Asphalt Overlay project. Manager Trudell reported on the issues with the contractor hired to complete the 1-inch asphalt overlay. He added there are still two items that were included in the scope of work in the construction contract that must be resolved. At this time, the Manager reported that a 20% retention has been withheld and final payment has not been made pending the Board's action on the most recent Request for A Change Order provided by the contractor. The Board discussed the requested change order and the contractor's request to be paid an addition lump sum for the increased cost of asphalt in the Change Order after July 1. The Board determined that the original Agreement did not include the section of path which was paved by the contractor for which the contractor now seeks payment. The Manager reported that this area was not to be paved because the existing pavement was acceptable. Accordingly, the contractor's proposed change order was not approved by the Board. The Board was informed that the contractor had not yet posted the required performance bond or warranty bond and the Board instructed the Manager to hold the cash equivalent of the value of the bond unless instructed otherwise by the Board our Association's counsel. The Board instructed attorney Michael Chapman to review this issue and provide a letter to the contractor.

As previously referenced, the Board was informed that the other contractor who contracted to perform the seal coat, had provided an excellent service for his segment of the 2008 Path Sealing and Asphalt Overlay project. There were no complaints about his company's workmanship or the lack of coordination with CRHA staff and Caughlin Ranch members.

REQUEST TO REMOVE STOP SIGN IN CAUGHLIN CREEK

The Board discussed the request for removal of two stop signs in Caughlin Creek and the Board's prior decision to poll a fixed number of Caughlin Creek/Deercreek residents most impacted by the two stop signs. The Board discussed a letter provided by the Caughlin Creek Board of Directors, requesting that all 178 members should be given an opportunity to vote in this matter, since all Caughlin Creek members were asked initially to express their opinion on the installation of the stop signs. Norman Huckle, a Caughlin Creek homeowner and Caughlin Creek Board member, agreed with the letter and felt strongly that all Class C members should be allowed to vote on this issue since the original ballot was sent to all Caughlin Creek homeowners. Janet Crosby, a Caughlin Creek Unit 6 homeowner, stated that no one fully stops, at the stop sign, unless there is traffic. The Board discussed the proposals suggest by the Caughlin Creek Homeowners Association Board of Directors. At the conclusion of the discussion, no motion was made to change the original vote of the Board at the May 5 Board meeting that the ballot will go out to the 78 homeowners, who are the most affected. Since no action was taken, Bill Magrath said he will finalize the Survey/Poll to be mailed soon to the 78 members.

CAUGHLIN CLUB OWNERS REQUEST TO REMOVE FENCE

Chairman Magrath stated that he and Directors Sims met with the owners of the Caughlin Club and discussed the owners request remove the split rail fence that borders Caughlin Club along Caughlin

Parkway. The Association has received complaints regarding the appearance of the split rail fence and has sent^[JB4] a letter to the club owners. Chairman Magrath stated that the Caughlin Club owners agreed to remove the fence. Upon a motion and a second, the Board unanimously approved the Caughlin Club's request for the removal of the split rail fence. The Board directed CRHA staff to provide a letter to Caughlin Club asking them to remove the fence within 60 days.

CAUGHLIN CLUB BOUNDARY LINE ADJUSTMENT

Chairman Magrath reported on his discussions with the owners of the Caughlin Club on a proposed boundary line adjustment and proposed procedure which would result in some adjustments to the common boundary line between the Caughlin Club and CRHA common area in the Alum Creek area. Chairman Magrath reported that a Record of Survey for the boundary adjustment has yet to be completed but progress has been made and any final adjusted property line would be subject to further Board approval. No action was taken.

NOTICE OF APPLICATION FOR CANDIDACY FOR THE CAUGHLIN RANCH BOARD

The Board discussed the ballot application packet and what would be included in the packet for eligibility for candidacy for the Caughlin Ranch Board of Directors. The membership will elect four (4) Board members to serve on the Board for a two year term. Four Board members' terms will expire on November 21, 2008, including Grant Sims, Michael Ginsburg, Mille Burke and Chris Simon. The Board discussed the Board's application packet and letter to be sent to all members. The Manager reported that application for eligibility to serve on the Caughlin Ranch executive Board will go out next week and will comply with the NRS 116. He added the deadline to receive the applications at the Association office is October 1, 2008. The CRHA staff will send out the election ballots to all members after the Board meeting on October 6 where a final ballot is approved. The proposed deadline to receive the ballots at Grant Thornton is November 3, 2008 at 5:00 p.m.. A CRHA membership meeting will be held on November 7, 2008 at 1:00 p.m. in the Grant Thornton's offices, where the Grant Thornton personnel will count the ballots in the presence of any members who want to attend.

THE COTTAGES TREE REMOVAL SURVEY & MEETING

The Board discussed the issue of the trees along the streets in the Cottages. Manager Trudell reported that he had met with the City of Reno's urban forester who had recommended that an inventory of the trees in the neighborhood be completed before any meeting with homeowners is conducted to discuss City's urban forester's recommendations. Director Burke asked why we don't use the resources available, like Dr. Ed Kleiner, an expert on trees. It was reported that Dr. Kleiner may not want to become involved in making specific recommendations for this neighborhood. Director Magrath said he feels that the residents are frustrated because this issue has been discussed for many months and nothing is been done. Mr. Magrath feels that a meeting should be held with the residents as a show good faith. Manager Trudell stated that he felt that if a meeting was held simply for the sake of holding a meeting, and no action could be taken or recommendation made, that in his opinion, the Cottages homeowners would be more frustrated. Manager Trudell recommended that a tree inventory be completed prior to a meeting with the homeowners, as a basis on which recommendation could be made. Otherwise, he stated that he feels it would be hard to enforce replacing the trees when they were taken out because of a safety issues in the first place. Director Burke feels that the homeowners do not understand why nothing has been done and that's why the residents are frustrated. She feels the manager should hold a meeting to explain the progress. Charlene Oakes reminded the Board that Manager Trudell did send out a letter explaining the status of the tree project with the list of approved replacement trees. Charlene also stated the

main reason no one's replacing any trees at this time is it's too hot. She added that the fall is the time to plant trees. Manager Trudell was instructed to communicate with the residents^[JB5] in the form of a letter.

JUNIPER TRAILS LITIGATION & RECEIPT OF REIMBURSEMENT ATTORNEY FEES

As referenced earlier in the meeting under the Financial Report, when this Agenda item was called, Chairman Magrath reported on May 22, 2008, Judge Steven Elliott entered a judgment and granted the Association full reimbursement of attorney's fees and costs in the Pappas case, including some pre-judgment interest. He added that the judgment awarded to the Caughlin Ranch Homeowners Association is in the sum of \$289,211.70. On May 30, 2008, attorney James Beasley filed a Notice to Appeal with the Nevada Supreme Court on behalf of the Pappases. A settlement conference is scheduled for September 15, 2008. Payment of the money due under the Judgment has been received and segregated into a separate account pending resolution of the appeal.

REPORT OF SALE OF STOCK-THE EMPLOYERS' INSURANCE GROUP

As referenced earlier in the meeting under the Financial Report, Chairman Magrath reported on the stock received from the Employers Insurance Company. He reported on May 5, 2008 the Board authorized the Manager to sell of 12,506 Shares of Common Stock from the Employers Insurance Company (EIG). The Board authorized the President to transfer the \$233,308.29 in net proceeds from the stock sale into the Association's Morgan Stanley account in a manner that conforms to Chapter 116 of the Nevada Administrative Code. The funds have been transferred into Caughlin Ranch Operating (Cash Reserve) Account

EXECUTIVE SESSION The Board moved into executive session.

The Board discussed an appeal of an ACC decision by an Eastridge homeowner regarding the construction of fence without ACC approval. With the consent of the member, the matter was postponed until the next meeting so the Board members could personally visit the site and observe the fence which is the subject of the appeal.

The meeting was adjourned at 11:00 p.m. before all items on the Agenda could be discussed, due to a time restriction on the Association's use of the Dickson Realty offices. All unfinished items were postponed until the next meeting and are to be included on the Agenda for September 22, 2008.

NOTICE OF NEXT MEETING The next meeting of the Board will be on September 22, 2008, commencing at 6:00 pm at the Caughlin Ranch Elementary School, 4885 Village Green Parkway, Reno, Nevada 89519. All members are welcome to attend.

Sincerely,

Mildred Burke, Secretary