

tonighHighland Ranches Property Owners Association

P.O. Box 1039, Virginia City, Nevada 89440

BOARD OF TRUSTEES MEETING MINUTES

JULY 25, 2006

Shelley Hansen- President
Steve Dragovich- Vice President
John Kilian- Secretary
Maggie Hohn- Treasurer
Mark Green- Architectural Committee

1. Meeting called to order at 6:31 pm.

2.. Vote to approve agenda for 7/25/06

M:Maggie Second: Steve Vote:Passed

Association members present: Bill & Shelley Hansen, Rita Lumos, Sharon Dixon, Maggie & Werner Hohn, John & Nancy Kilian, Lillian Henry, Bill Bridge, Nicole Barde, Mark Green, Lydia Hammack, Howard Depew, Giana Edberg, Anita & Bill Henderson, Jim Miller, Joe Coppick, Adele Carrete, Laurie Steele.

3. Comments from the public: Shelley Hansen addressed the public. She reported that 8 letters were sent to property owners in response to past complaints regarding CC&R violations. The violations were for: 2 easement issues: 3 container compliance: 1 house color submittal; and 2 unsightly lots. Shelley then explained the complaint process and her conversation with the Association's attorney and was advised that since the Complaint Form was not added or officially made a part of the CC&R's, the form is "Not a mutually exclusive requirement" and people cannot be forced to sign a form that will be given to the alleged violator. The Association Attorney also advised that this form be left out of the CC&R's as it restricts the enforcement of our governing documents; those owners wanting anonymity have to be allowed; and visual infractions don't need another owner to report them. Shelley also stated NAC 116.400.... states that the responsibilities of the Board include in part to 'Comply with all applicable federal and state laws and governing documents of the Association and the Board is required to "Uniformly Enforce" the provisions of the governing documents of the Association and cannot choose what to enforce or to whom'. Shelley also reported that she had sent out 167 final past due letters for the special assessment delinquencies. Shelley further stated if the Board doesn't enforce the CC&R's, her recommendation is the board contact either the ombudsman or a property management professional and the association's attorney for direction. She also stated that she had been approached by two of the board members saying they thought that the complaints were valid but would not support her to enforce the CC&R's, the CC&R's aren't worth the paper they are printed on, it is an invasion of

privacy and she was singling people out. She insisted that the Board enforce the statutes and said that a choice needs to be made. She submitted a letter of resignation and left the meeting.

Steve Dragovich stated that the issue here is not whether the CC&R's are enforced but stated that he did not believe that the board should get involved in petty disagreements between neighbors. Nicole Barde said that board members that don't want to enforce the CC&R's should resign. Sharon Dixon argued that NRS guidelines do not require the board to be a policing body.

John Kilian stated that the board faces major issues like the impact of future development and road maintenance issues and that the focus should be on these concerns and not dealing with issues that should first be resolved between neighbors and only if resolution wasn't possible should the board then become involved. Bill Hansen said that the board asked that pictures be taken of problem culverts in April and wondered if the board planned to follow up. Steve indicated that the board will follow up. Much discussion followed about enforcement of the CC&R's and the board's responsibilities. John and Steve agreed that the full board needs to be aware when letters are sent and that a complaint form adopted by the previous board should be used. Laurie Steele said that she had received a letter giving her 14 days to cure or be subject to a fine. She wants the board to work with property owners to tackle issues for the public good and to exercise its judgment before sending harsh letters. Steve asked for more property owner input on the issue going forward and the discussion ended.

4. Minutes from June 27, 2006 meeting were corrected as follows:

Delete: Mark said additional info was needed for Lot 457. Approval was given. Minutes should read: the Architectural meeting will be held on the 3rd Tuesday of the month at 6:30.

The corrected minutes were approved.

M: Maggie Second: Steve Vote: Passed

5. Road Report:

Bill Hansen reported that gravel and road work was suspended in June. Work will resume in September/October. Bill has done some minor pruning of tree limbs over the road. There was a road committee meeting on 7/18. Culverts are more or less taken care of for now. We are still facing a long term water issue. We spent \$8000 for water from Virginia City for 2 weeks of work. Bill will be submitting a bid for a new or different snowplow as of 1/1/07. A discussion ensued about what was to be done with the culvert pictures and the resulting problems from lack of culverts and wear and tear on culverts. Letters need to be sent to follow up on problem culverts.

6. Architectural Committee Report:

Mark Green reported that after the last meeting the plan for Lot 125 was approved for new construction.

7. Treasurers Report:

Checking Acct.:	\$ 4524.48
Culvert Acct.:	\$ 22497.06
Roads Acct.:	\$ 220.89
Savings Acct.:	\$128238.02
CD Checking:	\$ 2706.14
Fixed CD Acct.:	\$ 37745.25
Total Cash:	\$195931.84

Maggie Hohn reported that \$26200 representing 94 lots is still in arrears from the special assessment.

Final payment on workmen's comp was made this month.

Labor for roads this month: \$280. Total expenses for road repairs and maintenance was \$13685. Year to date: \$114189.

Maggie requested that \$75000 be moved from the money market account to the roads budget. This money could then be used for materials and it's possible that we might be able to eliminate the 3rd year of the special assessment. Previous boards have accumulated money in the money market account. A discussion followed. Howard Depew said that the board might want to consider buying equipment rather than renting it. Steve Dragovich invited volunteers to attend the roads meeting to discuss how best to spend the funds.

Vote to approve Treasurers Report:

M: Mark Second: John Vote: Passed

Vote to move \$75000 from the money market account to the road budget:

M: Steve Second: Mark Vote: Passed

Vote to move \$6500 from general fund to the reserve fund:

M: John Second: Mark Vote: Passed

8. Board Member Updates:

Maggie reported that Shelley informed her that Joe Curtis said that we will not receive any funds from FEMA. Maggie also asked if we got a copy of the resolution book. Lillian Henry asked the board to look into fixing road signs that are falling down It was suggested that anyone that sees a road sign in need of attention notify the fire department.

9. Next Meeting Date: August 29th, 2006

10. Adjournment: 7:55 pm.