

**FAIRWAYS AT FIELD CREEK RANCH PROPERTY OWNERS ASSOCIATION
2005 BUDGET RATIFICATION MEETING**

Monday, November 22, 2004

Held at Premier Properties, 5250 Neil Road, Suite 110, Reno, NV

1. CALL MEETING TO ORDER

James Manly called the meeting to order at 5:05pm. Board members in attendance were Treasurer James Manly, Secretary Jim Gaskill and Director Rita Eissmann. Also present were 13 homeowners along with Kris Lindberg from Premier Properties. President Rinaldo Bullentini joined the meeting during the Open Discussion

2. OPEN DISCUSSION

Item: Comments on the 2005 Budget

Homeowner: Gary Tavernetti, 12760 Silver Wolf Rd

Discussion: Gary indicated that he had only recently received budget details from Treasurer James Manly, but that he was concerned with the Road Reserve amount. He requested that time be provided to investigate this budget amount. He has friends in construction at the Granite Construction Company. He stated that the other budget figures seemed in line, but this one seemed too high.

This comment caused a lengthy discussion to be held concerning the budget, how the figures were developed and why the annual dues were being raised from the current \$380 to \$992.

It was quickly announced by several (seven) of the homeowners that they did not receive any budget information other than the "green sheet" announcing the Budget Ratification Meeting. This brought into question if the letter of NRS 116.3103 ("... the executive board shall provide a summary of the budget to all the units' owners...") had been complied with. Kris Lindberg of Premier Properties indicated that there was a Proof of Mailing, but the homeowners questioned if there was any proof of receipt.

Secretary Jim Gaskill explained the process that the board had gone through to prepare the budget, and the Road Reserve amount in particular. He mentioned that this item came to light as a result of the Reserve Study that was a required part of the transition from the developer (Filiberto Ferroni) to the Homeowners Association. Multiple Civil Engineers were contacted to evaluate the likely replacement action and timeframe. Two items were critical (1) the standard costs were fairly consistent, but the current and inflation values varied, and (2) the building materials inflation estimated varied from 2% to 10% to 19.2%.

The Road Reserve number was based upon the current replacement actions (partial repaving where necessary, slurry coating) with a 6% inflation factor and an income estimate of 3% on the reserve funds. A 20-25 year average for major repairs in the Reno area was used as the timeframe. A professional evaluation would be required before any work would be conducted.

It was noted by James Manly that the board felt that it was more appropriate to raise the reserve allocation, which had been minimal to this point, so that a reasonable amount would be in the reserves when the road work was needed. To keep the contribution at a minimal amount, and then have a homeowner assessment at a later date when the work was needed, would allow the developers/speculators to avoid any contribution and it would result in a larger homeowner contribution.

This explanation caused the homeowners to not fully agree with the increased dues, but they seemed to understand the process and due diligence that the board had gone through to reach the 2005 budget amounts.

- Item: Reschedule Meeting Times
 Discussion: Several homeowners indicated that it was hard to get to a meeting by 5:00pm. It was decided that future meetings would be scheduled to start at 5:30 pm.
- Item: Recovery of Reserve Funds from Developer
 Discussion: It was mentioned that 13 points of the initial Reserve Study had to be accepted by the board as part of the transition from the developer, Filiberto Ferroni. Although he may have not contributed his proportionate share to the reserve funds, it was recognized that the legal costs to get a contribution did not warrant the likely outcome.
- Item: Speeding through the association area
 Homeowner: Gary Tavernetti, 12760 Silver Wolf Rd
 Discussion: The initial comment was that people were speeding through the association area and Gary wanted to know what was being done about speed bumps. Rita Eissmann, Board Director, indicated that the initial approach was to add speed limit signs.
- This evolved into a discussion related to the Road Repair to the fact that the streets were private and not under county control. It was also mentioned that this was part of the developer's agreement with the county in order to get the development started, and that it was highly unlikely that the county would take back responsibility for the street maintenance.
- An initial sampling of the homeowners to see if the gate could be removed so that the county could be approached to accept street maintenance was met with objections. One of the main reasons that the homeowners moved into Fairways, was the fact that it is a gated community.

3. NEW BUSINESS

- Item: Homeowner Ratification of the proposed 2005 Annual Budget
 Discussion: The board was concerned that there may be a number of homeowners that did not receive the budget information in accordance with NRS 116.3103. The attending homeowners also requested that an explanation of the budget numbers, similar to the explanation provided by Jim Gaskill on the Road Reserve, would be greatly appreciated.
- Action: The board decided by General Consent to place the 2005 Budget Ratification on the table and continue it to the next Quarterly Board Meeting, scheduled for January 26, 2005 at 6:00pm.

4. ADJOURNMENT

With no further business to conduct, President Rinaldo Bullentini adjourned the meeting at 6:25 pm.

Respectively Submitted,
 Kris Lindberg
 Premier Properties