

**CAUGHLIN RANCH HOMEOWNERS ASSOCIATION**  
**Board of Directors Meeting Minutes**  
**Special Assessment and Application of Surplus Funds to**  
**Purchase 1070 Office Building**  
**1070 Caughlin Crossing, Reno, NV**  
**Wednesday, March 28, 2018**

**Board Members Present:**

Al Dennis, President  
Michele Attaway, Vice President  
Tony Termini, Secretary  
Vince Ames, Treasurer  
Joan Mullen, Director  
Mike Chern, Director  
Drew Naccarato, Director

**Others Present:**

Lorrie Olson, Community/General Manager  
Randy Lisenby, L & M Superintendent  
Sandy Wheeler, Bookkeeper/Provisional Manager  
Shawn Oliphant, Association Attorney  
19 Homeowners

**1. Call to Order and Determination of Quorum:**

President Dennis called the meeting to order at 6:00 p.m. A quorum was established with all seven (7) Board Members present.

**2. Member Comments:**

A homeowner from the Cottages neighborhood inquired if there were going to be additional funds requested from the owners for the purchase. He was concerned that he would have to write a check.

He was advised that \$300,000 has been accumulated towards the down payment and that it is necessary to complete an internal posting to each owners account to reflect the allocation of those funds to be applied to the down payment for the purchase of the building. There will be no additional funds obtained from owners to satisfy the down payment. The funds currently allocated towards the lease payments will be used to pay the monthly loan payment on the building. The combined monthly loan payment, property taxes and insurance payments are estimated to be less than the current monthly lease payment.

Attorney Oliphant clarified that the Association is securing the loan through an Assignment of Future Income, not a Deed of Trust.

**3. Report on Member's Vote by Ballot:**

The number of votes needed in favor of purchasing the building are equal to 50% + 1 of the total number of eligible votes; minimum required votes are 1,148 (rounded up). The total number of Yes votes obtained were 1,193.

|                                 |         |
|---------------------------------|---------|
| Total number of possible votes: | 2,293   |
| Single-family votes             | = 2,195 |
| Commercial votes:               | = 98    |
| Total                           | = 2,293 |

President Dennis advised that the loan will be fixed for a 10-year term.

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**4. Consider Purchase of the Building (\$585,200):**

**Motion: Vice President Attaway moved to approve the Purchase of the Building as presented; Secretary Termini seconded. Motion carried unanimously.**

A homeowner asked how much the interest is on the loan and what the monthly payment will be.

GM Olson advised that we will not be made aware of the interest amount until 5 days prior to the closing date.

Secretary Termini advised that the estimated interest will hopefully be less than 6%.

Director Naccarato shared that the loan will be a fixed rate loan. Currently, the lease has a 2% annual increase and the loan will not.

**5. Consider special assessment for the down payment and loan for acquisition of the Building; Motion: Vice President Attaway moved to approve the special assessment for the down payment and loan for the acquisition of the Building by assessing a charge of \$130.95 per member vote as presented; Director Ames seconded. Motion carried unanimously.**

**6. Consider Application of surplus funds to offset the special assessment:**

Attorney Oliphant advised that starting in 2014, the Board of Directors began setting aside \$75,000 annually towards the down payment for the purchase of the office building.

**Motion: Vice President Attaway moved to approve the Application of surplus funds to offset the special assessment by crediting \$130.95 per member vote as presented; Director Naccarato seconded. Motion carried unanimously.**

**7. Consider Approval of Purchase Agreement and Loan Documents and 8. Consider Authorizing the President to Sign Purchase Agreement Documents and Loan Documents:**

Attorney Oliphant advised that we have a Conditional Loan Agreement that reflects the terms of the loan at this time but we have not been provided the actual loan documents. Mutual of Omaha has advised that the loan will be the standard loan documents that will be secured by the future income of the Association. The Association's Attorney will review all documents prior to submission.

**Motion: Director Ames moved to approve the Purchase Agreement and Loan Documents and to Authorize the President to Sign Purchase Agreement Documents and all other documents needed to purchase the building and close escrow on the building; Secretary Termini seconded. Motion carried unanimously.**

**9. Member Comments:**

Homeowner asked if the authorization that the Board President was approved for was just for the purchase of the office building and nothing else.

He was assured that this authorization is only for the signing of documents for the purchase of the 1070 office building.

Homeowner asked if there was going to be a building inspection and if there would be negotiations

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made regarding building components that may need to be repaired/replaced.

GM Olson responded that there will be an inspection and we should be able to negotiate cost associated to components that are identified as need to be repaired and/or replaced.

**10. Adjourn meeting:**

**Motion: Vice President Attaway moved to adjourn the meeting at 6:20 p.m.; Secretary Termini seconded. Motion carried unanimously.**

**Subsequently approved at a duly noticed Board of Directors Meeting on May 23, 2018.**



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Tony Termini, Secretary Board of Directors  
Caughlin Ranch Homeowners Association