Dayton Valley Community Association

c/o Incline Property Management
848 Tanager Street, Suite M
Incline Village, Nevada 89451
Phone 775-832-0284 * Fax 775-832-4036

August 18, 2006

Dear Homeowners:

Enclosed for your information is a copy of the July 18, 2006 Board Meeting Minutes.

If you have any questions, please feel free to contact me.

Sincerely,
Incline Property Management as agent for
Dayton Valley Community Association

Julianne Ferrari
Property Manager

Enclosure(s)
JF/na

Dayton Valley Community Association

BOARD MEETING

Tuesday, July 18, 2006

6:00 p.m.

Draft

I. CALL TO ORDER

The Board of Directors Meeting was called to order by the President, Mr. Edward Messineo at 6:02 p.m. The meeting was held at the Dayton Valley Golf Clubhouse, 101 Palmer Drive, Dayton, Nevada 89403. The pledge of allegiance was recited.

II. ROLL CALL

Board Members present were Mr. Messineo, Mr. Richard Klippert, Mr. Charles Bird, Mr. Eugenio Antonelli, Mr. Ed Scott and Mr. Eugene Anderly. Mr. Joe Wade was unable to attend. The Board introduced themselves to the Membership. A quorum was present.

There were 47 other Homeowners in attendance.

Ms. Carol Dotson represented Lakemont Homes.

Incline Property Management was represented by Ms. Julianne Ferrari, Mr. Don Glenn and Mrs. Neyra Ambriz.

III. MEMBERS FORUM

The Board opened the floor to the membership. Mr. Messineo stated that each speaker would have three (3) minutes to address the Board. Mr. Messineo advised the Owners to submit their concerns in writing to the Board if they needed more time.

A Homeowner asked when the Developer is going to install the gate on La Costa. Ms. Dotson stated that the proposed installation of the gates, one on La Costa and another on Cypress Point, is scheduled for the end of the year. Extensive electrical work and drainage work has been completed by the Developer. Once construction starts, the installation should be complete within three months. Once the new gates are installed, the Palmer gate will remain open at all times. Mr. Messineo stated that Lakemont now has opened an office onsite and Mr. Mike Evans has been assigned to handle Homeowner concerns. The office is located in the Sendero models. Mr. Evans will also handle the road turnover issue.

A Homeowner asked when the tennis courts would be fixed. She stated that the tennis court nets are in really bad condition and need to be fixed or replaced. Mrs. Dotson stated that Lakemont may be able to replace them. She will follow up and report to the Board. Ms. Dotson went on to state that the tennis courts would be addressed when the fitness center is completed. The project should start at the end of this year.

A Homeowner stated that she disagrees with the way the Board has been conducting business (see Mr. & Mrs. Donald Mello's comments attached.)

A Homeowner stated that while she was having a party with a few neighbors, someone was looking around their property. Mr. Messineo stated that the Board does inspections of the property randomly, to check backyards or other violations.

A Homeowner asked when the construction of the Hotel Casino would start. Ms. Dotson stated that a Resort Casino is still in the plans, but there are no dates yet of when construction will start. The Owner asked how the resort would be separated from the Association. Ms. Dotson stated that new gates would be installed to separate the commercial buildings from the residential areas.

A Homeowner complained about the traffic going in and out of a home on Doral Court. Mr. Messineo stated the Attorney is handling the matter and therefore, the Board cannot discuss it.

A Homeowner asked if there are still plans for putting in a maintenance facility and if trees are going to be planted. Ms. Dotson stated that is part of the master plan build-out and should complete in two to five years.

A Homeowner on Ballybunion Drive thanked Lakemont for putting in river rock by her home.

IV. MINUTES OF LAST MEETING

The Board reviewed the Minutes of the February 21, 2006 meeting, as well as the Minutes of the May 10, 2006 Meeting.

A motion was made to waive the reading of and approve the minutes of the February 21, 2006 meeting.

Motion: Klippert
Second: Scott
In Favor: All
Motion carried unanimously as Resolution #2006-014.

A motion was made to waive the reading of and approve the minutes of the May 10, 2006 meeting.

Motion: Klippert
Second: Scott
In Favor: All
Motion carried unanimously as Resolution #2006-015.

V. FINANCIAL REVIEW

The Board reviewed the Balance Sheet and Income Statement of June 30, 2006.
Mr. Scott stated that there are now 664 homes in the Association. Mr. Scott reported that the year to date income is $83,000. There is a total of $306,000 in the Reserve Account. The Association has three CDs.

A motion was made to accept the Financials of June 30, 2006 as presented.

Motion: Anderly
Second: Antonelli
In Favor: All
Motion carried unanimously as Resolution #2006-016.

VI. OLD BUSINESS

Committees Update: Mr. Scott introduced Mr. Archie Gayer, who will head the Finance Committee. Mr. Gayer has 20 years experience as a project director and is the former Warner Brothers Finance Manager. Mr. Messineo stated that the Rules and Regulations Committee has also been established. The members are Mrs. Harriet Pfrenzinger, Mrs. Janet Parsons, Mr. Mike Zimmerman, Mr. Paul Bess and Mr. George Kinghorn. Mr. Rich Martinez stated that the Safety and Security Committee has also been established. He has also contacted the Sheriff's Department about starting a neighborhood watch program. He asked all Owners to help by keeping an eye on the community and report anything suspicious. He went on to state that there is a problem with vandalism. Also, his wife's bicycle was stolen. The Board also encouraged everyone to support the Safety and Security Committee and get involved in the neighborhood watch program. Mr. Messineo stated that the Architectural Committee still needs a chairperson. If anyone is interested please contact the Board.

Street Lights Update: Management reported that Minden Electric will complete the lighting project. Paperwork has been submitted to Sierra Pacific Power for approval, which will take about 3 months for them to approve. Minden Electric will start taking down the green lights and will store them in the cart barn. The Board is in the process of choosing a new light for the Palmer entrance. More lights will also be installed on Bayhill. Minden Electric will do the digging and trenching for Sierra Pacific Power to install the street lights. The green lights will be serviced by Minden Electric and concrete pole lights will be serviced by Sierra Pacific Power. A Homeowner would like to have more lights installed on Lakeview. The Board will discuss putting more lights in the Lakeview area.

Speed Bumps Installation Update: Mr. Messineo stated that four sets have been installed; one on Cypress Point, St. Andrews, La Costa and Royal Troon. More speed bumps need to be purchased. The Board has observed that people are slowing down to go over the bump, but then speed up. Golf carts are going around the bumps. Golf carts should not be going on the sidewalks. It is dangerous and violators will be fined. The Board will contact the golf course management regarding this issue. The Board is looking into a different and cheaper design.

A Homeowner on Cypress Point stated that drivers are going on to his lawn to avoid the speed bump. He stated that the speed bump is right in front of his home and it is very loud and noisy. He asked the Board to consider removing the speed bumps from this location. Another Owner suggested using the traffic control devices used by the Sheriff, which display how fast vehicles are going and some even take photos.

VII. NEW BUSINESS

Entrance Gate Costs: Mr. Scott reported that gate expenses have increased in the past few years. In 2004 the total amount spend to repair and maintain the gates was $1,400, while this year has already cost over $5,000. There has been a lot of vandalism, as well as people hitting the gates. Also, new backup batteries had to be installed so the gates will open in case of an emergency.

Security at Entrance Gates: The Board is looking into installing surveillance cameras at the Palmer and Bayhill Gates. There has been a lot of vandalism to these gates. The main computer panel on the Palmer gate was damaged. Someone sprayed it with a fire extinguisher and it had to be replaced. Also, someone shot at the Bayhill gate with a paint ball gun. Both gates have been hit several times also. The Board has obtained a couple of bids for the surveillance cameras. The Board suggests installing four cameras with high definition at each gate. The cameras would run on CDs and they would be enclosed for protection. The control panel would be in the guard shack in on enclosure. Also, the guard shack would be alarmed. The total cost would be approximately $8,000. The Safety and Security Committee will work on this matter. The Board has also contacted the Sheriff about patrolling the community more and they have agreed. Also, the Association can hire a part time patrol service, but it can become costly. This item will be put on the next agenda for discussion and approval.

Clarification of Newsletter Ads – Size: The Board will set some guidelines regarding the size and price of ads to be placed on the monthly newsletter. The Communications Committee will help with this process.

All Terrain Vehicles on Association Streets: The Board has received numerous emails regarding the rule banning ATVs which is not yet in effect A Homeowner stated that he does not agree with the Rules & Regulations stating the ATVs are a public hazard and a nuisance. He has lived in the community for the past four years and he has never hurt or bothered anyone while riding his ATV. He asked the Board to deal with the teenagers on ATVs that are a problem. He asked the Board to reconsider the rule and allow the use of ATVs, but establish guidelines. Another Owner stated that his problem is teenagers speeding on ATVs and being reckless. He has actually approached a few teenagers, but it does not help. He stated that many of the problems would be eliminated if the entrance by Lakeview and Grayhawk are closed off. Dirt bikes go in construction zones. They are a big problem. The Owner stated that Lakemont needs to put more protection on their construction areas. There is also a road off of Ballybunion that teenagers use. The Board will look into installing additional fencing to close off these problem areas. Other Owners agreed that the problems consist of teenagers speeding throughout the community. Suggestions were made to issue permits. Mr. Anderly stated that the rule should stand; ATVs should not be allowed within the community. The Board will continue to review this matter.

A motion was made to rescind the Rule #16 of the Rules & Regulations regarding ATVs until a decision is made.

Motion:	Klippert
Second:	Antonelli
In Favor:	5
Against:	1

Motion carried per Resolution #2006.017.

VIII. NEXT MEETING DATE

The next regular Board Meeting is scheduled for October 10,2006 at 6:00 p.m. at the clubhouse.

IX. ADJOURNMENT

There being no further business, a motion was made, seconded and carried to adjourn the meeting at 7:55 p.m.

Respectfully submitted: _____ Date: 8-28-06
Management

Approved by: J. Ferraro Date: 8/17/06
Association

(Attachment)

July 18, 2006

To: The Executive Board and members of the Dayton Valley Community Association

From: Donald and Barbara Mello
409 Pebble Beach Court
Dayton, NV 89403

The following sections of the Nevada Revised Statutes out line areas where the members of the Executive Board of the Dayton Valley Community Association have failed to comply with the law.

Nevada Revised Statute (NRS) 116, Article 3, Management of the Common-Interest Community.

NRS 116.113 Obligation of good faith. Every contract or duty governed by this chapter imposes an obligation of good faith in its performance or enforcement.

NRS 116.3103 Power of executive board to act on behalf of the association; members and officers are fiduciaries; duty of care; application of business-judgment rule; limitations on power.

Sec. 1 Except as otherwise provided in the declaration, the bylaws, this section or other provisions of this chapter, the executive board may act in all instances on behalf of the association. In the performance of their duties, the officers and members of the executive board are fiduciaries. The members of the executive board are required to exercise the ordinary and reasonable care of directors of a corporation, subject to the business-judgment rule.

Sec. 2 The executive board may not . . . elect members of the executive board or determine their qualifications, powers and duties or terms of office.

NRS 116.3106

Sec 1. The bylaws of the association must provide:

a. the number of members of the executive board and the titles of the officers of the association: . . . etc.

Note: Section 7 of the Bylaws of the association require 30 days notice for regular or special meeting.

NRS 116.31065 RULES

Sec. 1 Rules must be reasonable and related to the purpose for which they are adopted.

5. Rules must be uniformly enforced on the same or similar circumstances against all units' owners. Any rule that is not so uniformly enforced may not be enforced against a unit's owner; and must comply with NRS 116.31031

NRS 116.31075 Meetings . . .:Compliance with Open Meeting Law. Must comply with the provisions set forth in chapter 241 of NRS concerning open meetings that are generally applicable to public bodies. NO SECRET OR UNNOTICED MEETINGS ARE ALLOWED.

NRS 116.3108 Meetings of units' owners of the association; frequency of meetings; calling special meetings or removal elections; requirements concerning notice and agendas; dissemination of schedule of fines; requirements concerning minutes of meetings; right of units' owners to make audio recordings of meetings.

1. A meeting of the units' owners must be held at least once each year. . .
2. Special meetings of the units's owners may be called by the president, by a majority of the executive board or by units' owners constituting at least 10 percent, or any lower percentage specified by the by laws, of the total number of voting members of the association . . . If a petition calls for a special meeting, the executive board shall set the date for the special meeting so that the special *meeting is held not less than 15 days or more than 60 days after the date on which the petition is received.. . .*
3. *Not less than 15 days or more than 60 days in advance of any meeting of the units owners,* the secretary or other officer specified in the bylaws shall cause notice of the meeting to be hand-delivered, sent prepaid by United States mail to the mailing address of each unit or to any other mailing address designated in writing in the bylaws by the unit's owner or if to an electronic mail at the request of the unit;s owner as designated in writing. The notice of the meeting must state the time and place of the meeting and include a copy of the agenda for the meeting. . .
4. Details what is to be included in the agenda
5. *If association adopts a policy imposing fines for any violations of the governing documents of the association* the secretary or other officer specified by the bylaws shall prepare and cause to be hand-delivered or cause to be sent by prepaid U. S. mail to the mailing address of each units owner . . . a schedule of the fines that may be imposed for those violations.
6. The secretary or other officer specified in the bylaws shall cause minutes to be recorded or otherwise taken at each meeting of the units' owners. A copy of the minutes *must be made available to the unit's owners. Minutes must be available within 30 days of the meeting.*
7. Sections a, b & c specify what must be included in the minutes.
8. self explanatory
9. Minutes must be kept until DVCA is terminated
10. units' owners approve all minutes, NOT THE BOARD.

NRS 116.31083 Meetings of the Executive Board; frequency of meetings; requirements concerning notice and agendas; periodic review of certain financial and legal matters at meetings; requirements concerning minutes of meetings; right of units' owners to make audio recordings of certain meetings

1 A meeting of the executive board shall be held at least once every 90 days.

2 Except in an emergency or unless the by-laws of an association require a longer period of notice (DVCA requires 30 days) the secretary or other officer specified in the bylaws of the association shall, *not less than 10 days before the date of a meeting of the executive board,* cause notice of the meeting to be given to the units's owners. Such notice must be:

(a) Sent prepaid by US mail

(b) Sent by electronic mail designated in writing by the unit's owners
© Published in a newsletter or other similar publication that is circulated to each unit's owner.

3. In an emergency, the secretary of other officer specified by the bylaws of the association, shall if practicable, cause notice of the meetings to be sent by US mail to the units' owners. If delivery of the notin this manner impracticable, the notice *must be hand delivered to each unit within the common interest community.* . . .
4. The notice of the meeting of the executive board must state the time and place of the meeting and include a copy of the agenda for the meeting and date on which and locations where copies of the agends may be conveniently obtained by the units' owners. The notice must include notification of the right of a unit's owner to;
   (a) Have a copy of the minutes. .
   (b) Speak to the association or executive board.
5. .The agenda of the meeting must comply with subsection 4 of NRS 116.3108 . . . .
6. At least every 90 days . . . the executive board shall review the following financial information at one of its meets: (see section a through f)
7. Not more than 30 days after a meeting of the executive board minutes shall be made available to the units' owners
8. What must be included in the minutes.

12. As used in this section, "emergency" means any occurrence or combination of occurances that:

(a) Could not have been reasonably foreseen:
(b) Affects the health, welfare and safety of the units' owners or residents of the common interest community;
(c) Requires the immediate attention of, and possible action by, the executive board; and
(d) Makes it impracticable to comply with the provision of subsection 2 or 5.

NRS 116.31085 Right of units' owners to speak at certain meetings; limitations on right; **limitations on power of executive board to meet in executive session;** procedure governing hearings on alleged violations; requirements concerning minutes of certain meetings.

1. Except as otherwise provided in this section, a unit's owner may attend any meeting of the executive board and speak at any such meeting. . . .
2. An executive board MAY NOT MEET IN EXECUTIVE sessioon TO ENTER INTO, RENEW, MODIFY, TERMINATE OR TAKE AN OTHER ACTION REGARDING A CONTRACT, UNLESS IT IS A CONTRACT BETWEEN THE ASSOCIATION AND AN ATTORNEY.
3. An executive board may meet in executive session ONLY to:
   (a) Consult with the attorney for the association on matters relating to proposed or pending litigation if the contents of the disussion would otherwise be governed by privilege set forth in NRS 49.035 to 49.115 inclusive, or to enter into, renew,

modify, terminate or take any other action regarding a contract between the association and the attorney, etc.

4 Meet to discuss alleged violations of the cc&rs, or rules. But the person to be fined or sanctions can ask for an open meeting.

5. **Except as otherwise provided in this subsection, any matter discussed by the executive board when it meets in executive session must be generally noted in the minutes of the meeting. The executive board shall maintain minutes of any decision made pursuant to subsection 4 concerning an alleged violation and upon request, provide a copy of the decision to the person who was a subject to being sanctioned at the hearing or to his designated representative.**

NRS 116.31087 Right of units' owners to have certain complaints placed on agenda of meeting of executive board.

1. **If an executive board receives a written complaint from a unit's owner alleging that the executive board has violated an provision of this chapter or any provision of the governing document of the association, the executive board shall, if action is required by the executive board, place the subject of the complaint on the agenda of the next regularly scheduled meeting of the executive board.**

Not later than 10 business days after the date that the association receives such a complaint, the executive board or an authorized representative of the association shall acknowledge the receipt of the complaint and notify the executive board and schedule a meeting.

THE DAYTON VALLEY COMMUNITY ASSOCIATION IS GOVERNED BY NRS 116 and IS TO ABIDE BY NRS 241, THE NEVADA OPEN MEETING LAW and other laws stated within chapter 116 of the NRS.

NRS 116.3114 Surplus Funds. Unless otherwise provided in the declaration, any surplus funds of the association remajning after payment of or provision for common expenses and prepayment of reserves must be paid to the units' owners in proportion to their liabilities for common expenses or credited to them to reduce their future assessments for common expenses.

NRS 116.4119 Declarant's obligation to complete and restore.

1. Except for improvements labeled "NEED NOT BE BUILT," the declarant shall complete all improvements depicted on any site plan or other graphic representation, including any plats or plans prepared pursuant to NRS 116.2109, whether or not that site plan or other graphic representation is contained in the public offering statement or in any promotional material distributed by or for the declarant.

Property at the DVCA has been advertised as a gated community, as shown by the electric gates where entering from Dayton Valley Road. When is the declarant planning to fence the rear (south side) of the property? If not a permanent fence, than a temporary fence until the permanent fence can be installed.

Declarant has provided street lights to most streets within the development. Why is there no streetlight on Pebble Beach Court. This should be the duty of the declarant in developing the property.

NRS 116.31183 Retaliatory action prohibited. An executive board, member of an executive board or an officer, employee or agent of an association shall not take, or direct or encourage another person to take, a retaliatory action against a unit's owner because the unit's owner has;

1. Complained in good faith about any alleged violation of any provision of this chapter or the governing documents of the association; or
2. Requested in good faith to review the books, records, or other papers of the association.

Julie patrolling our street 6 times in one day, and at 7p.m. on a Saturday night is excessive and considered harassment.
When asking for assistance to locate the minutes of board meetings on the web site, no help was offered by Julie and she hung up on Barbara.

Action taken by the board in drafting and approving the new rules and regulations and approving the fence on Doral Court at a closed unnoticed meeting to the members is illegal and all that action taken is illegal. Your rule section prohibiting ATVs and dirt bikes is illegal under NRS 490.100 sec 4 which states that you have to provide us ingress and egress to public lands and streets. This prohibition on ATVs was done at a secret meeting of which the units' owners were not notified and no minutes have been made available to the members. This action was illegal under several provisions of Chapters 116 and 241 of the NRS and the action by this board at this secret meeting is illegal.

One board member has seen fit to threaten his neighbors by stating that he personally would see that we could not drive our ATVs on the streets and told our neighbor that his wife would not be able to drive her ATV, and he told Don Mello that he, the board member, would see that no one would be able to ride ATVs on the association streets. He also told the neighbor, and Don, in two difference conversations that he threw nails in the vacant lots on Doral Court to stop people from trespassing by foot and vehicle. He also installed a plastic construction fence across his neighboring lots, without permission and fenced off an easement without permission. After being elected to the Board he convinced the board to finance a "hog wire" fence across those two vacant lots and across a portion of his own lot. This was all done at a secret meeting where no minutes were kept.for this meeting.

This same board member saw fit to stop landscaping of a neighboring property for four hours by interfering with the movement of top soil that was stored on the next property, until the landscape designer
could arrive to explain what was being done. This board member sticks his nose in everyone's business, claims to know everything, and interferes where he is not needed or wanted.

By it's failure to comply with the provisions of Chapters 116 and 241 of the Nevada Revised Statutes, and other statutes as noted, this Board has not been acting in good faith.