Dayton Valley Community Association

BOARD MEETING

Friday, February 16, 2007

3:00 p.m.

Draft

I. CALL TO ORDER

The Board of Directors Meeting was called to order by President Richard Klippert at 3:02 p.m. The meeting was held at the Dayton Valley Clubhouse, 101 Palmer Drive, Dayton, Nevada 89403. The pledge of allegiance was recited.

II. ROLL CALL

Board Members present were Mr. Klippert, Mr. Antonelli, Ms. Lori McLean and Mr. Paul Bess. Mr. Eugene Anderly was represented by proxy held by Ms. McLean. Ms. Carol Dotson represented the Declarant. A quorum was present.

There were 49 other Homeowners in attendance.

Incline Property Management was represented by Ms. Julianne Ferrari and Mrs. Neyra Ambriz.

III. MEMBERS FORUM

Mr. Klippert stated that a few of the Board Members had met with Mr. Joe Wade of Lakemont to discuss Homeowner concerns. Mr. Wade informed the Board Members that he has established a new Association for Legado, which will be separate from DVCA. Mr. Wade recognized that the Developer does not have quaranteed seat on the Board of Directors for DVCA any longer. There will now be five positions open on the Board for the upcoming election in April.

Mr. Klippert opened the floor to the membership.

Mr. Archie Gayer of Ballybunion Drive, stated that when he was the chairman of the Finance Committee he noticed money being spent on non-Association property. For example, trespassing signs were purchased and installed on golf course property. Also, the Association paid to have weeds removed from Lakemont's property along Dayton Valley Road. Management explained the previous Board had the trespassing signs installed because of the many complaints they had from Homeowners concerning the dirt bikes and ATV's. The previous Board announced the signs were being installed in the December 2005 newsletter President's report but there was no official motion made. Management also stated that the previous Board instructed Celtic to take care of weeds along exterior brick wall on Dayton Valley Road. That area had become overgrowing with weeds and it was unsightly. Lakemont paid to have the area graded and the Association sprayed for weeds. The Association spent approximately $93 per month to treat that area, per Celtic. Management stated that the Association benefited from both of these actions made by the previous Board. Mr. Gayer inquired why the Association has not requested a reimbursement from Lakemont. Mr. Klippert stated the present Board has not requested Lakemont to pay for these services because it was the Association that ordered these services.

Mr. Gayer was also concerned with the fact that Lakemont has not completed the fencing around the back of the Development.

Mrs. Barbara Mello of Pebble Beach Court stated it is illegal for the Board to discuss agenda items prior to the meetings, either by phone or email.

Mrs. Jan Parsons of La Costa Avenue stated when she purchased her home, there where only about 100 homes and now there are 700. She stated it is very important for the Board Members to work together, but instead this Board argues with one another and they do not handle business in a timely manner. She went on to state that when she purchased her home she was told the Association was gated, but she feels it is not because Lakemont has not completed the fence around the Development. There are several entrances to the Development but only two are gated at this time. Lakemont does not own a majority of DVCA any longer and they will not hold a seat on the Board. The Association needs Board Members to stand up for the interests of the Homeowners not for Lakemont. If Homeowners want change, they must get involved with the Governing Documents Committee and elect a Board that cares. She stated the Board also needs to enforce the CC&Rs and handle violations in a timely manner. There were several violations passed because the Board took almost six weeks to approve other violations. Mrs. Parsons stated she feels the Board would like to have her and her committee "go away", because the committee expects the Board to enforce the CC&Rs. The Association needs a Board that will enforce the CC&Rs and take care of violations. Mrs. Parsons asked why Lakemont has big advertising signs all around the Development? She stated that Lakemont needs to follow the Association's rules as well. Also, all Tenants comply with the CC&Rs. Mr. Klippert stated the Rules & Regulations Committee has done a great job enforcing the rules. The property looks great and the change is noticeable. Mr. Antonelli stated that the Board does care about violations and Mrs. Parsons comments about the Board not appreciating the Rules and Regulations Committee efforts are false. In fact, he has also reported several violations and believes there should be more violations issued. He stated that there are many violations on Lakeview. Mr. Antonelli also stated that the Board fully supports the Rules & Regulations Committee's recommendations. He stated the committee has done a good job.

A Homeowner from Turnberry Court asked if the Board has the authority to increase the Association dues without holding a Homeowners meeting. Mr. Klippert explained the Board can increase the quarterly dues, but a dues increase is discussed when the Budget is being reviewed each year. The Budget is given to the Homeowners for ratification every year. Mr. Klippert stated that the Board would also discuss a dues increase during a regular Board Meeting.

Several Homeowners inquired about the item on the agenda to hire an administrative person. Mr. Klippert stated the Board will discuss it under New Business. Mr. Gayer stated there were no monies budgeted for renting a building and obtaining other management services.

Mr. Mello stated the community will campaign to get a Board elected that will represent the Homeowners not Lakemont. If anyone is interested in helping out with the campaign, they should contact Mr. & Mrs. Mello, 409 Pebble Beach Court.

Mr. Mike Barrett of Sawgrass Lane stated he has problems with Celtic's services, as well as with the company that handles the sewage. Mr. Barrett stated Celtic blows dirt onto his property and doesn't clean up around the area. Also, there are broken sprinkler heads by Sawgrass. Mr. Barrett also stated that if the gates are going to remain open 24 hours a day, all Homeowners who purchased a gate transmitter should be reimbursed for the transmitter. Mr. Klippert stated that Celtic's contract will expire in March and the Board will be obtaining three bids.

Mr. Barrett also stated he witnessed a vehicle speeding on property and it looked suspicious. He has called Management and the messaging center in the past but no one returned his calls. He

called the Sherriff and was told that they would not go out to private property. Management stated that they have returned Mr. Barrett calls many times and have forwarded his concerns to the Board. Mr. Klippert and Mr. Antonelli have also returned Mr. Barrett's calls. Mr. Rich Martinez of the Security & Safety Committee stated he did not receive a message. Mr. Martinez stated the Sheriff will respond to reckless driving and he will contact the Sheriff about coming out to the property. Mr. Martinez will write an article for the newsletter to update Homeowners.

Mr. Mello complemented the Board for allowing more Homeowners to speak. He stated he contacted the Board about allocating more time for Members Forum.

Mr. Ron Gray stated a speed bump needs to be installed between St. Andrews and Lakeview to prohibit drivers from running over the ducks. Also, a warning sign would help.

Mr. Bess stated that at the last meeting, the Board discussed appointing a Parliamentarian to keep control of the Association meetings. At the meeting, Mr. Bess took it upon himself to be the Parliamentarian. He raised his voice and yelled at Mr. Mello and another person. He would like to extend an apology to both Homeowners for his actions.

IV. LEGADO REPORT

Ms. Dotson stated Lakemont does care about the community. Lakemont has three entities that operate out of DVCA, Lakemont Homes, Lakemont Legado and Dayton Valley Investors. Lakemont purchased the John Lawrence properties. Ms. Dotson presented a report reflecting a meeting between Lakemont and members of the Board. The report lists answers to Homeowner concerns. Per Homeowner requests, Lakemont has installed a chain fence at the Lakeview entrance. Lakemont will also install a 6" wrought iron fence along the golf course on Lakeview within the next 90 days. An orange construction fence will also be installed on Lakeview behind the homes that are not completed. The road from Lakeview to Airpark Estates will be paved when the homes are completed, it should be in the next 2-3 years. Lakemont will landscape that area and both sides will be responsibility of Airpark Estates. Lakemont is also looking into installing temporary fencing around the lots that are not developed on Ballybunion Drive. However, the property does not belong to them. Lakemont will be installing security fencing around Lakeview to prohibit the use of dirt bikes and ATVs. Their excavation team will knock down the dirt bike ramp. Lakemont has asked The Gallery to clean up their property, which they are now doing. Lakemont is working with The Gallery to install additional fencing on their property.

Ms. Dotson stated there were also concerns regarding clean up and maintenance of the property. Per the CC&Rs all the perimeter walls are Homeowner & Association responsibility. Lakemont is still looking into this issue. A Homeowner asked if the lake by the county building belongs to the Association. Ms. Dotson stated the lake is the property of Lakemont and it may not be a lake in the future because the water is not treated. The county needs more wells, which Lakemont is working on. Ms. Dotson stated that Point Legado is under construction. The south side should be completed in the spring. Lakemont will be landscaping the property in front of their models and across the street. They have also cleaned up along Dayton Valley Road. Lakemont will landscape the center of Dayton Valley Road from the Palmer gate to Point Legado. Lakemont does not own the road from the Palmer gate to Bayhill gate. The north side of the road by Royal Troon will also be landscaped. The Pebble Beach area is also under construction. The lowest price for a home in that area is in the $700,000. Lakemont is looking into installing a yellow plastic fence. A Homeowner stated Homeowners in that area might not like that type of fencing because it devalues their property. Lakemont is also trying to clean up the end of Lakeview and St. Andrews. Eventually the golf course cart barn will be moved next to the clubhouse. Lakemont is in contact with Landmark regarding the roads that need repaving, La Costa Avenue, La Costa

Circle, etc. These roads where part of the property sold to Landmark. Lakemont is aware of the poor condition of some of the road and will set up a meeting to address these issues with the Board. Mr. Antonelli stated that roads are being damaged by the loaders. Ms. Dotson will have Lakemont talk to the contractors about not using the streets.

Ms. Dotson stated Lakemont has drafted a letter to the Sheriff requesting that they respond to Homeowner reports. A Homeowner asked if the Golf Course has its own security service. Mr. Fred Olsen, General Manager stated they are looking into hiring a security service to patrol the golf cart areas, but there is no security at this time. He stated that the problems they have is teenagers with skateboards, people walking their dogs on the golf course, etc. Mr. Klippert stated it is because the Board cannot enforce rules on the golf course; all they can do is report the incidents to Golf Course Management. Mr. Olsen stated they encourage residents to call them when they see a problem. Mr. Olsen stated that perhaps the Association and the golf course can solve the security issues together. A Homeowner stated that the well on the corner of St. Andrews is not build up to code and it is a safety hazard. Ms. Dotson stated Lakemont is aware and the construction crew is working on the problem with the county. They might relocate the well. Ms. Dotson stated that Lakemont will discuss the issue with the Palmer gate access with the Board. A Homeowner asked if the meeting to discuss the gate would be an open meeting for residents to attend. Ms. Dotson stated this matter will be discussed at a later date. A Homeowner asked if the new gates will be owned by the Association. Ms. Dotson stated Lakemont will install the inner gates and convey them to the Association. A Homeowner asked for a timeline of when the new gates will be installed. Ms. Dotson stated it won't be for a while. There is no date yet. Another Homeowner asked who is responsible for the roads. Mr. Klippert stated that roads are the responsibility of the Association. Ms. Dotson stated that Lakemont will be installing the speed bumps in the Bayhill area.

Ms. Dotson stated the report she presented today will be mailed to the Homeowners when it is complete.

V. MINUTES OF LAST MEETING

The Board reviewed the Minutes of the January 12, 2007 Board Meeting. Mr. Antonelli stated that the minutes need to be more precise in the future.

A motion was made to waive the reading of and approve the Minutes of the January 12, 2007 meeting as presented.

Motion: Bess
Second: McLean
Discussion: Mr. Antonelli stated he signed the minutes, but does not approve them. He stated that the minutes were incomplete and need to be more accurate. He would like the names and addresses of the Homeowners that speak during Members Forum noted in the minutes.
In Favor: Bess, McLean, Klippert, Anderly
Opposed: Antonelli
Motion carried with a majority vote as Resolution #2007-007.

VI. FINANCIAL REVIEW

The Board reviewed the Balance Sheet and Income Statement of December 31, 2006.
Mr. Bess reported that there was a favorable income balance at the end of the year, due to fines, late charges and interest earned. He stated that the Office & Administration expenses were over budget by 1.7%. Utilities were under budget by 21%. Over all, the final number of revenues over expenses was 7.6%. Mr. Bess stated that the Board would like to change the way the budget has

been done in the past. The Finance Committee will work on putting together a zero based budget for next year. The committee will analyze each individual account.

A motion was made to accept the Financials of December 31, 2006 as presented.

Motion: Antonelli
Second: McLean
In Favor: All
Motion carried with a majority vote as Resolution #2007-008.

VII. COMMITTEE REPORTS

Rules & Regulations Committee: Mrs. Parsons stated parking was better up to a couple of weeks ago. Ballybunion and Lakeview residents are parking in the street again. If anyone would like to report a violation, they should email the Rules & Regulations Committee or call the message center and leave a message. The Committee has given information to the Board of where signs need to be posted. She also reported that there is also an ad around the property advertising a room for rent, which is a violation of the CC&Rs. Management will follow up.

Security & Safety Committee: Mr. Martinez stated his committee suggests towing vehicles that do not comply with the CC&Rs, but vehicles must be given 48 hours before they can be towed. Mr. Martinez would like to change the CC&Rs to allow only 24 hours before a vehicle can be towed. He stated that no one but his committee should contact the Sheriff regarding Association issues. There should only be one contact person. His committee can schedule the Sheriff to come out and explain what type of reports they can take. Homeowners that do not attend the meeting should not complain. The Committee would like the Board to have the neighborhood watch signs installed around the property. Mr. Martinez stated that per the Homeowner survey, residents do not want the use of radar guns but he feels placing the radar machine by the Palmer gate would be a deterrent. The Board asked the committee to contact the Sheriff about having the radar machine on property once in while since there is no cost. Mr. Martinez stated the Homeowners do not want the Association to hire a security service because they do not want to pay more in dues. Mr. Bess stated the Board will revisit this issue and will talk to the golf course about sharing the cost. A Homeowner asked if visitors can park on the street if the visitor parking area is far from their home. Mr. Martinez stated that overnight parking is not allowed, but visitors can park in the street during the day. If anyone has guests overnight, they should request a parking permit from the Board or the Rules & Regulations Committee.

Governing Documents Committee: Mrs. Mello stated the committee has been meeting regularly. They are working on revising the CC&Rs to exclude the Declarant. If anyone would like to participate in the committee, they must contact her directly or Management. Mrs. Mello stated that at the January 16, 2007 Board Meeting she asked the Board to demand a time frame from the developer for completing the fence around the Association perimeter. Mrs. Mello presented information of what the Board can do legally have the Developer complete the fencing and gates. The Association can file complaints with the Lyon Country Building Department, with the Real Estate Division of Nevada, with the Nevada State Contractor's Board , etc. (see attached report.) Mr. Klippert stated Ms. Dotson has given a time frame for installation of the fencing today. He suggests the Board give Lakemont a deadline to complete the fencing and if the fencing is not complete by the due date, the Association should act on Mrs. Mello's suggestions. Mr. Antonelli disagreed. He stated Lakemont keeps promising action and nothing happens. He suggests filing the necessary complaints now to get Lakemont to take action.

A motion was made to file a complaint against Lakemont with the Lyon County Building Department, Real Estate Division of Nevada and the Nevada State Contractor's Board for not completing the fencing and advertising the community as a gated property.

Motion: Antonelli
Second: McLean
Discussion: Mr. Bess stated there are complaints regarding the Developer for several issues and the Association needs hard evidence if a complaint if filed. He would suggest that Homeowner submit their complaints in writing to the Board. Mr. Antonelli stated Lakemont does not take any action. Ms. McLean stated all the evidence needed is written in past minutes. Mr. Klippert recommends waiting until the time frame given by Ms. Dotson expires.
In favor: Antonelli, Anderly
Against: Bess, Klippert, McLean
Motion did not carry due to lack of majority vote.

A motion was made to file a complaint against Lakemont with the Lyon County Building Department, Real Estate Division of Nevada and the Nevada State Contractor's Board if there is no evidence that Lakemont has started the fencing by the Annual Meeting on April 17, 2007.

Motion: McLean
Second: Bess
Discussion: Mr. Bess stated that if a claim is filed, he would like to have sufficient evidence to back up the claim.
In Favor:: McLean, Bess, Klippert
Against: Antonelli, Anderly
Motion carried per majority vote as Resolution #2007-009.

Nominating Committee Report: Mrs. Carol Bauer, Chairperson, introduced the members of the Committee, Mrs. Barbara Manna, Mrs. Jan Messineo and Mr. Don Harn. Mrs. Bauer stated a candidate form and letter was sent to all Homeowners for the annual election. She stated if anyone is interested in running for the Board, they must contact her or Management. The Committee will review all of the forms submitted and they will give their recommendations to the Board. The form will also be posted on the Association's website. A Homeowner asked what is the different between her committee and the campaign committee proposed by Mr. Mello. Mr. Klippert stated the Nominating Committee is mandatory by NRS 116. Mr. Mello's committee is for campaigning purposes.

VIII. OLD BUSINESS

Nomination and Appointment of new Board Member: Mr. Klippert stated that he would prefer to leave the Board with five members until the election on April 17, 2007. The other Board Members agreed.

A Motion was made to stay with a five member Board, plus the Declarant, until the annual election on April 17, 2007.

Motion: Antonelli
Second: Bess
In favor: Klippert, Antonelli, Bess, McLean
Against: Anderly
Motion carried per majority vote as Resolution #2007-010.

Palmer Gate Security Cameras Installation Update: Mr. Bess stated the Gates and Roads Committee met with Minden Electric this morning about installing the security cameras and motion detection lights. Minden Electric can install the light pole within the next 3-4 weeks. The pole can be installed with the lights and camera equipment, but the camera would not be hooked up until the security software is purchased. The cost to installed the pole with the light and camera equipment is approximately $6,200 for each gate. The cost to install the pole, light, camera and security software is approximately $20,000. Mr. Bess suggests installing the pole with the light and camera, but waiting on the installation of the software. Mr. Messineo stated the $20,000 bid is not for a wireless system. Installing a wireless system will reduce the price. A Homeowner asked why the Association should spend money on the Palmer gate, if Lakemont will install inner gates and the Palmer gate will remain open. Mr. Klippert stated that the equipment will belong to the Association and it can be moved once Lakemont installs the inner gates.

A motion was made to install the pole, light and camera at both gates for approximately $6,200 each and hold on the purchase of security software. Work to be done within 3-4 weeks.

Motion: Bess
Second: Antonelli
In favor: all
Motion carried unanimously as Resolution #2007-011.

Speeding Controls (Speed Bumps, Radar Gun): Mr. Bess stated Lakemont has agreed to make a donation toward the speed bumps. Mr. Bess stated the Gate & Roads Committee met with Cruz Paving about installing the speed bumps at the high speed traffic areas, such as St. Andrews, Grayhawk and Royal Troon. The cost for the installation of the bumps will be approximately $5,400. Cruz Paving will also install the stop signs, warning signs and will do markings on road. Lakemont has also agreed to install three speed bumps between Bayhill and St. Andrews, which should help with the ducks. Mr. Mello asked if the Board had researched the liabilities of having speed bumps and reminded that these have to be added to the insurance policy. Mr. Messineo stated that the new speed bumps will be safer for vehicles.

Signs for Community Entrance, Controls, School Zones, etc.: Mr. Bess stated he submitted a list at the previous meeting of where they believe the signs should be installed. The cost is not to exceed $4,000. Mr. Bess stated they will submit all the information to Management to purchase the signs.

A motion was made to approve the signage recommend by the Gate & Roads Committee.

Motion: McLean
Second: Antonelli
Discussion: Mr. Bess stated a sign will also be installed at the gate stating that it is under surveillance .one more sign at the gate that states it is under surveillance. Homeowners stated that a speed limit sign needs to be installed at the Y on the entrance.
In Favor: All
Motion carried unanimously as Resolution #2007- 012.

Street Parking of RVs for 48 hours: Ms. McLean stated she recommended that street parking of RVs should be allowed between 9:00 AM to 3:00 PM loading and unloading. She stated the streets are too narrow and parking over night should not be allowed. She asked the Governing Documents Committee to change the CC&Rs to reflect her recommendations. Mrs. Parsons

stated there should also be a limitation of dates within a 30 days period. The Board did not agree with Mrs. Parsons recommendations. A Homeowner asked if there is ever going to be long term parking for RVs. Mr. Klippert stated the Board is working Lakemont to acquire space.

A motion was made to allow RV parking in the street from 9:00 AM – 3:00 PM for no more than two consecutive days for the purpose of loading and unloading.

Motion: McLean
Second: Antonelli
In favor: All
Motion carried unanimously as Resolution #2007-013.

Discussion of DVCA Board Member's Meeting with Lakemont: See comments under Legado Report.

Discussion of DVCA Board Meeting Locations: Mr. Klippert stated that at the previous meeting, there was discussion about moving the Association meetings to the Community Center.

A motion was made to have all Association meetings at the Community Center.

Motion: McLean
Second: None
Motion did not carry due to lack of second.

Discussion of Commercial Vehicle Definition: Mrs. Mello stated she has requested a legal opinion. This item was tabled until further notice.

IX. NEW BUSINESS

Authority to Hire a Community Administrator to Manage the Administrative Tasks of the DVCA: Mr. Klippert stated for the past four months the Board has been talking about management problems. He stated the problem is because Management is not onsite. The Board believes they can take care of the problem by being self-managed. The Board can take the responsibility for the management of the community or hire someone who is certified. They can hire an individual who is qualified in computer skills, managing vendors, accounting, etc. This person will work under the direction of the Board. Office space can be rented at the old clubhouse and all Association meetings can be held there. A person will be onsite to take care of Homeowner concerns. The Board will still follow NRS 116 and the Association's attorney will still be available. Mr. Klippert stated the Board has the authority to take this action. He believes this will bring the community closer together.

Mr. Bess presented an analysis of what the costs would be to self-manage the Association. He stated that many Homeowner Associations between 75 to 100 units hire a management company, while 23% of Associations nationwide which have 1,000 properties, are self-managed and hire staff to work onsite. Lakemont is offering to rent out the clubhouse to the Association for only $500 per month. In addition, the Association would be able to designate part of the parking lot for RV parking, with a space with electric outlets. The office would provide a place for all Association meetings, including committee meetings. Homeowners will have somewhere to go if they have a problem. All of the accounting work will be done on site and the newsletter can be published there for a cost of $200, not $1,000 as it is costing now. The Association would purchase accounting software for $150 per month. The software company maintains the backups and will also maintain the website for no additional cost. Mr. Bess is a CPA and he would help

with the accounting if needed. The Association will also be able to control the gates from that office. The Administrator can also monitor the streets. A Homeowner asked what is the term of the office contract. Mr. Bess stated the contract would be month to month. A Homeowner asked if the building includes furniture. Mr. Bess stated the Association would have to purchase furniture. The Board estimates that the start-up cost would be approximately $9,700. Total office expenses per month would be $1,123, which includes office space, software, supplies, additional insurance for clubhouse and utilities. The cost for the Administrator would be approximately $40,000 a year; $48,000 with payroll and social security expenses. The Board believes one person is sufficient to do all the work. A Homeowner stated she moved from a community that was self managed, but they had more than one person managing the Association. Would the Association be able to hire someone else if one person cannot handle the work load? Mr. Klippert stated that they would look into that in the future, but they believe one person is sufficient. Mr. Klippert stated the Board has been talking with someone who is interested in the job. She is highly qualified, but is not a certified Property Manager. The Association would fund her studies so she can obtain her license. A Homeowner asked what would be the difference in price between IPM and the Administrator. Mr. Klippert stated last year Management was paid $57,720 and the Association would pay approximately $48,000 for the Administrator. He stated the Board asked IPM to stay on as consultants but they declined. A Homeowner asked if they would always have a CPA on the Board. Mr. Bess stated he is committed to the Finance Committee. Mr. Ron Krug stated that if 23% of Associations the same size as DCVA are self-managed, then 77% of these Associations have Property Management Companies, which is not a good percentage and the Association is going against the odds. Mr. Bess stated 23% of Associations round-up the total number of Association's that are DVCA's size.

Mr. Krug asked if the Board calculated what they would pay for office supplies. Mr. Bess estimates the cost to be $44 per month. He stated $220 was paid to Management for the month of January. Mr. Krug stated the Association should not be self-managed at this time. The Board needs to do more research. A Homeowner asked if it is possible for members to see a written job description and qualifications. Mrs. Parsons asked if the Board feels that only one person can do all the work that Management does now. Mr. Bess stated the Board is confident that one person is sufficient. Furthermore, the Administrator will be provided with the best software and the Board and Committee Members will help. Mrs. Parsons stated that Homeowners will not volunteer and the Board should not count on their participation. Mr. Klippert stated the Board is not doing this to save money, but instead to provide better service to the Homeowners. Mr. Klippert also stated that Management does not respond promptly because they manage other Associations. Mrs. Parsons stated the Board set up the messaging center for Homeowners to submit their concerns, but it has not been effective. The Board Members do not even use it themselves. Mr. Bess stated the service only costs $29 per month and it keeps a record of the calls received. Management stated there are about 7 people in the office that currently work on DVCA everyday. A Homeowner asked if there is an offset to legal advice, bonding, etc. Mr. Bess stated it is hard to replace a company, but he believes this is a good thing for the Association. He stated that Mrs. Mello understands the law and he is a CPA. Also, Insurance Agents can help. A Homeowner asked if there is more liability to being self-managed. Mr. Klippert replied no. Mr. Messineo asked how the down side compared to what they have now. He stated the Board should have a backup in case this does not work out. Homeowners asked what if the Administrator quit or got sick and could not work. Mr. Klippert stated the Board would help. He stated the person they've been talking to loves the community and wants to build the job. She is highly qualified. Mr. Bess stated that there may be some inefficiencies that they do not see now, but they may have money later to hire temps. A Homeowner asked what is the realistic salary they would pay a person to manage the Association. The Board needs to budget adequately. Mr. Bess stated the Board is looking at a starting point. Budgets can be done. Mr. Mello stated asked if they will have someone who can place liens on properties for violations. In the past, one property was missed. Mr. Bess stated the Board agreed and Management does not

tell them what has been done with delinquencies in the Financials. A Homeowner asked what a licensed Property Manager earns per year. Mr. Bess stated it is approximately $68,000 a year. Mr. Klippert stated he has been hiring people for years and when you hire someone, you pay for what you are getting. Once you pay for the training, you give them a raise. The Finance Committee will draft a budget to include all of these items. A Homeowner asked if 800 homes will be the total build out. Mr. Klippert stated the Association can become a Property Management Company in the future and manage neighboring Associations.

Mr. Klippert stated the Board started talking about being self managed in November when the budget was done. Mr. Klippert talked to the owner of IPM about adding more staff but he did not agree. The transition would be by April 17, 2007. Mr. Klippert stated IPM will train the Administrator on a daily basis for one month. Mr. Messineo asked if the Board will make this decision without getting Homeowner input. Mr. Bess stated the Board will schedule a special Board Meeting, at which Homeowners can give their opinion. Mr. Messineo asked if the Board decides to go ahead and the majority of the Homeowners do not agree, will the Board go ahead with their decision anyway. They need a vote to go forward for the next two weeks. So a meeting can be scheduled. Ed Messineo asked if the Homeowners do not agree will the Board still go forward without the Homeowners approval. He stated the Homeowners should have a say on the matter. Mr. Bess stated that the Board will have to revisit the matter if there is an overwhelming response. Mr. Klippert stated that they are recommending this because it is the best thing for the Association. A Homeowner asked if the Board contacted other management companies. Mr. Klippert stated the Board did contact a few companies in Reno, but they do not want to deal with Dayton. The companies are national companies. He stated that the Association has not gone out to bid since 1999 and they should have. Mr. Bess would like to go forward and schedule a special meeting to get Homeowner input.

A motion was made to create a study and negotiating group of Board Members to review the clubhouse rental and contracts over the next two weeks. If the group finds that time is of the essence for this Board, they call for a special Board Meeting on March 15th or 16th in the evening. Mr. Antonelli said he would be leaving the area on March 13th and would prefer the meeting on the 10th. The Board agreed.

Motion:	Bess
Second:	McLean
In favor:	Bess, Klippert, McLean, Antonelli
Against:	Anderly

Motion carried per majority vote as Resolution #2007-14.

Authority to Rent Part of the DVCA Clubhouse from Legado Country Club as the DVCA Local Office: This item was discussed under Authority to hire a Community Administrator to manage the administrative tasks of DVCA.

Approval of Another Independent Audit of DVCA books: Management stated it is time to do the yearly audit. Management presented three bids – McClintock $3,150 for the Audit and $515 for Tax Return; Kohn Colodny LLP $8,000 for both the Audit and Tax Return; Kafoury/Armstrong Accounting Firm not to exceed $10,000 for the Audit and $1,000 for the Tax Return. Management stated that McClintock's rates are very reasonable and they have been doing the Association's Audit and Tax Returns for several years. The Board reviewed the bids.

A motion was made to approve the bid submitted by McClintock for the amount of $3,150 for the Audit and $515 for the Tax Return for the year 2006.

Motion: Bess
Second: McLean
In Favor: All
Motion carried unanimously per Resolution #2007.015.

X. NEXT MEETING DATE

The Board will schedule a special Board Meeting sometime in March. The Annual Meeting will be held on April 17, 2007 at 6:00 PM.

XI. ADJOURNMENT

There being no further business, a motion was made, seconded and carried to adjourn the meeting at 6:46 p.m.

Respectfully submitted: Julianne Ferrari Date: 3/7/07
Management

Approved by: Gino Antonelli Date: 3/7/07
Association

HOA MEETING WITH LAKEMONT

January 25, 2007
10:00 am
Lakemont/Wade
Conference Room Reno

Meeting called by:	**Dayton (DVCA) Homeowners**	**Type of meeting:**	**Discuss HOA Issues**
Lakemont Attendees:	Joe Wade, Carol Dotson, and Greg Peitzmeier	**Note taker:**	Carol Dotson
HOA Attendees:	Rick Klippert, Gene Anderly and Paul Bess	**Note taker:**	Rick Klippert

AGENDA ITEMS – HOA ISSUES	**Remedy**
Lakeview Drive:	**Lakeview Drive:**
✓ Install a chain at Lakemont property entrance	Fence already installed (see map)
✓ Pave Lakeview Road thru Airpark - When?	Plans to pave in approx. 2-3 years. Maintenance and cleanup of area has been already been addressed. The area where a 5" landscape easement is located is taken care of by the Airpark.
	6" Wrought Iron fence installation will be complete within the next 90 days.
	There will be an orange construction fence built –in as a barrier until the home owners (in the surrounding area) have built their homes.
✓ Install Security fencing along golf course at Lakeview Drive to prevent access to/from BLM land by ATVs/Dirt Bikes	Lakemont expects the gate to be open during the nights & weekends, the gate will be locked during the daytime for work to be completed. Lakemont expect work to be completed after the first closing, our goals is the next 90 days.
	The second cul-de-sac will be completed this fall and Lakemont will need a written letter from the HOA Board to allow owners to access through the gates and then remove it after completion.
Maintenance and Cleanup:	**Maintenance/Cleanup:**
✓ Review CC&R's for Fence Maintenance on Lakeview Road	To the best of our knowledge it is the responsibility of each property owner to maintain the Fence on Lakeview Road.
✓ Cleanup of Gallery Property Dayton Vallley Road Corner– Review Bartos Contract for responsibility & timing of improvements.	The area surround the Gallery property area is currently being cleaned up and Bartos is scheduled to be done by next week. We will discuss the community corner area with Bartos and expect it will take 2 weeks to clean up if we have to send someone ourselves we will do that.
✓ Cleanup and landscaping of Dayton Valley road – Wall remaining area.	Lakemont will landscape the area on the north side of the road where Royal Troon is located. The south side of the road where Point Legado is located, will have landscaping installed in the corner where

	the models are located this spring. We will extend the corners as built.
✓ Landmark Homes Site at the Golf Course transition areas (4,5,&8 holes) – Maintenance Issue (not finished or maintained)	Transitions at the Golf Course – Ed Johanson will work with Landmark to help get the maintenance issue resolved. We don't have an estimated completion date but will help put the pressure on to complete.
✓ Road repairs on La Costa & La Costa Circle - Maintenance Issue	Relates to Landmark issue – see above
Security: (Letter to Sheriff - Issues)	Lakemont is in the processing of formulating letter to the sheriff to address HOA concerns.
✓ Security – Speeding – Vandalism	See above
✓ Speeding Issue – Sheriff needs to patrol	See above
✓ Give Authorization to Homeowners to file complaints regarding trespassers on Lakemont Property.	See above
Security Issues:	**Security Issues:**
✓ No Security-Golf Course doesn't provide any security- complaint calls have gone out regarding people/animals on the course and nothing happens. DVCA has no authority over golf course.	Relates to the above letter we are sending to the Sheriff and also possibly hiring a security company to patrol course. Other questions/issues should be addressed to Golf Course Manager Fred Olsen.
✓ Security Company – Check into Cost, possibility?	HOA will follow up obtain costs for this.
Other:	**Other:**
✓ Placement and Installation of New Gate at Cypress Point & La Costa – Schedule	Cypress Point & La Costa gate can possibly be negotiated with HOA. It is not required to be built per our agreement until the casino is completed. Access, dual maintenance and access to future trails & parks can all be discussed. The gates will need to be open from 7:00am to 7:00 pm. We will need corporation by all and a written agreement will need to be drawn out to control functional hours of gate. Working together we can complete this possibly by the end of this year.
✓ Royal Troon/Bayhill landscaping of Dayton Valley road-Wall area-When?	Lakemont plans to work together with the HOA to landscape the Bayhill area though Lakemont doesn't own this particular portion of land. Lakemont will help obtain low costs for the HOA to landscape the area and will help the HOA with design. South Side of Royal Troon will be done this spring and landscaping will begin in the corner and continue down the fence.
✓ Speed Bumps – Cost to Greg for St. Andrews	Waiting on proposal from HOA.
✓ Existing Roads – Lakemont turn over to HOA – Who Maintains?	We need to have a separate meeting to discuss this in further detail. HOA is currently responsible for maintenance.
✓ Study fencing enclosure costs and Lakemont will get back to HOA	Completed

Lakemont Homes has not been adhering to the $200.00 checks we agreed to send the HOA after each home closes. The agreement was done approx. a year and a half ago. Please give us a copy of the agreement and we will get a check to you within the next 30 days, but we have to have a copy of the agreement

HOA MEETING WITH LAKEMONT

January 25, 2007
10:00 am
Lakemont/Wade
Conference Room in Reno

Meeting called by:	**Dayton (DVCA) Homeowners**	**Type of meeting:**	**Discuss HOA Issues**
Lakemont Attendees:	Joe Wade, Carol Dotson, and Greg Peitzmeier	**Note taker:**	Carol Dotson
HOA Attendees:	Rick Klippert, Gene Anderly and Paul Bess	**Note taker:**	Rick Klippert

AGENDA ITEMS – HOA ISSUES

Lakeview Drive:

- ✓ Install a chain at Lakemont property entrance
- ✓ Pave Lakeview Road thru Airpark - When?
- ✓ Install Security fencing along golf course at Lakeview Drive to prevent access to/from BLM land by ATVs/Dirt Bikes

Maintenance and Cleanup:

- ✓ Review CC&R's for Fence Maintenance on Lakeview Road
- ✓ Cleanup of Gallery Property Dayton Vallley Road Corner– Review Bartos Contract for responsibility & timing of improvements.
- ✓ Cleanup and landscaping of Dayton Valley road – Wall remaining area.
- ✓ Landmark Homes Site at the Golf Course transition areas (4,5,&8 holes) – Maintenance Issue (not finished or maintained)
- ✓ Road repairs on La Costa & La Costa Circle - Maintenance Issue

Security: (Letter to Sheriff - Issues)

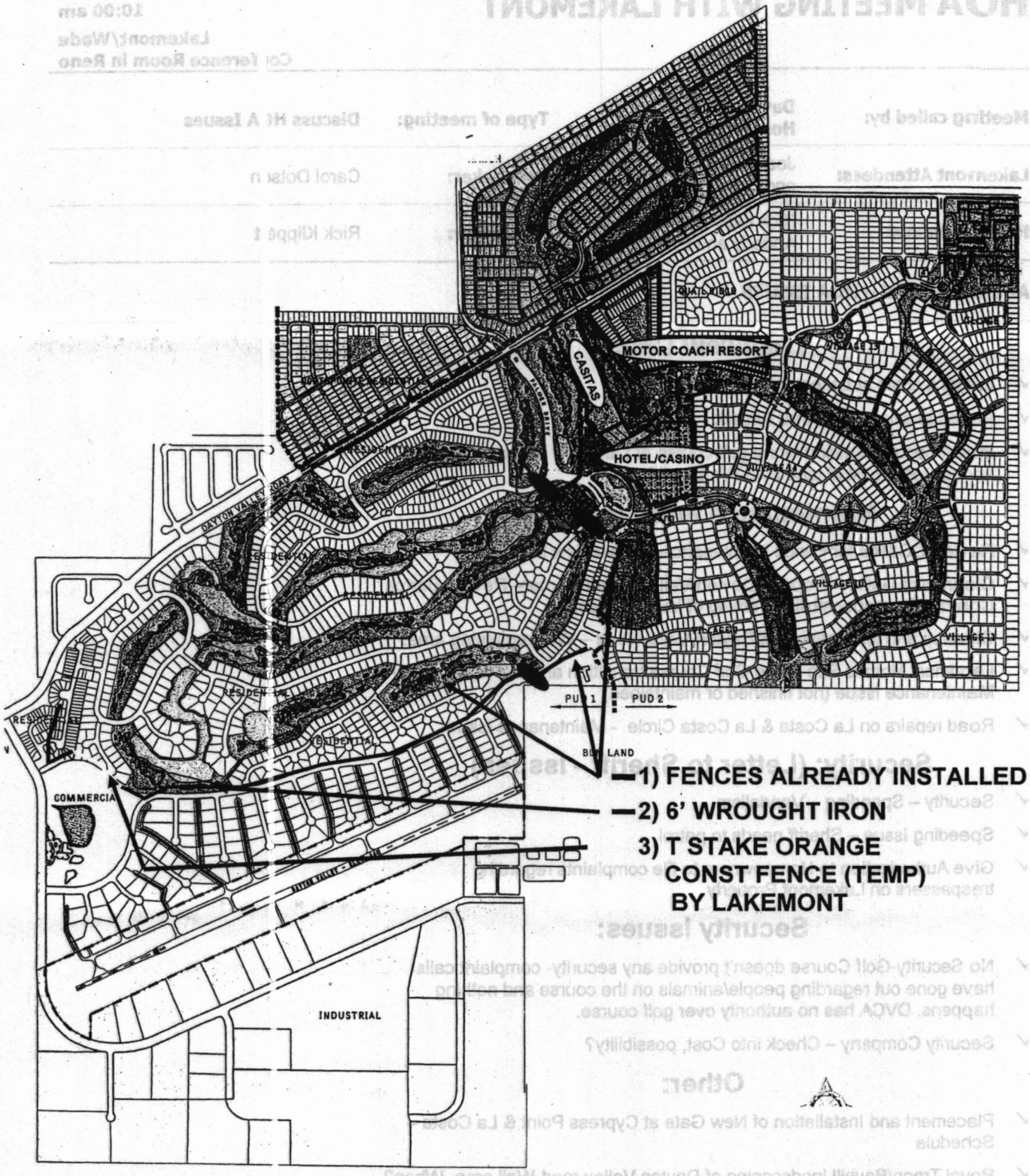
- ✓ Security – Speeding – Vandalism
- ✓ Speeding Issue – Sheriff needs to patrol
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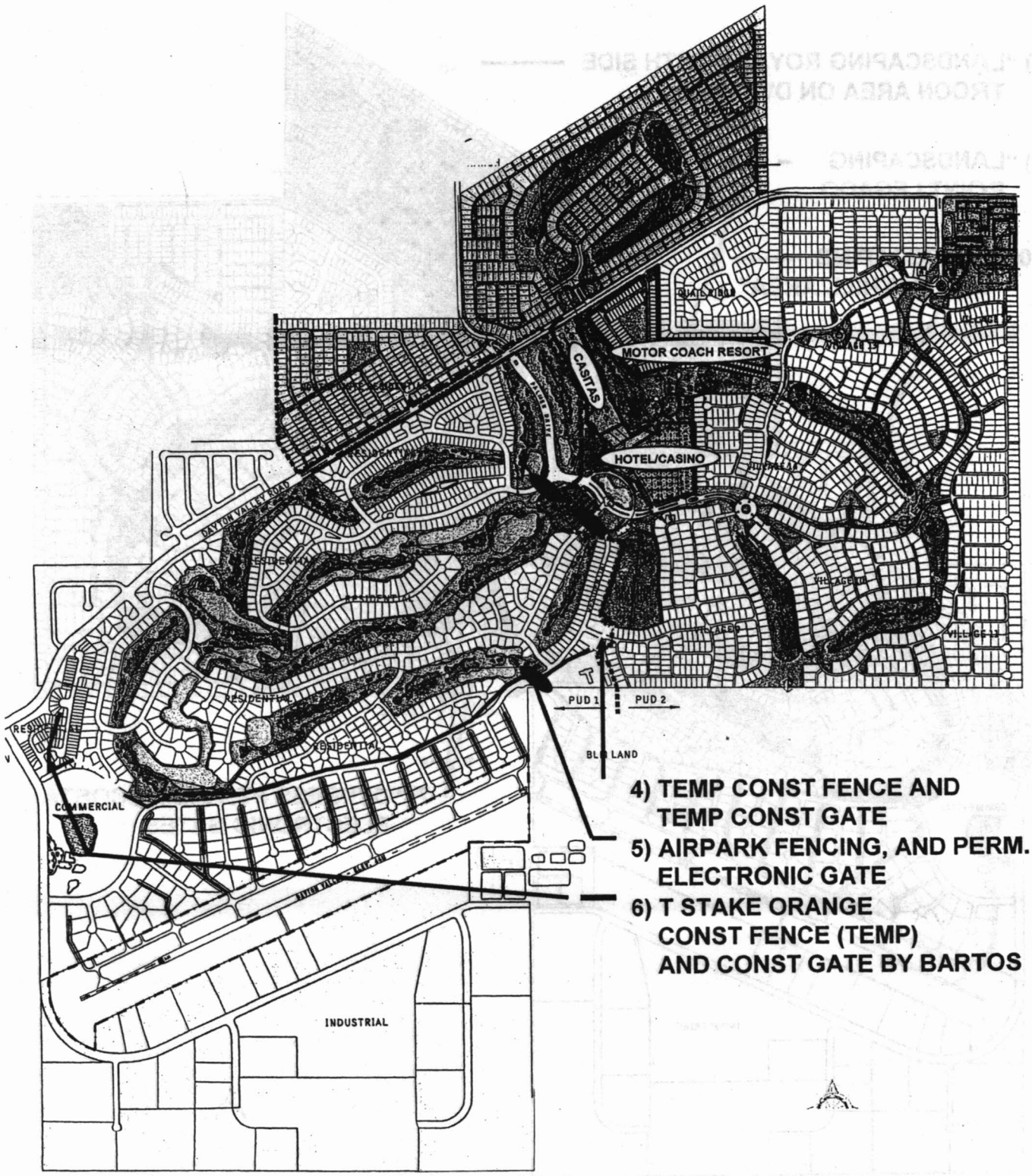
Security Issues:

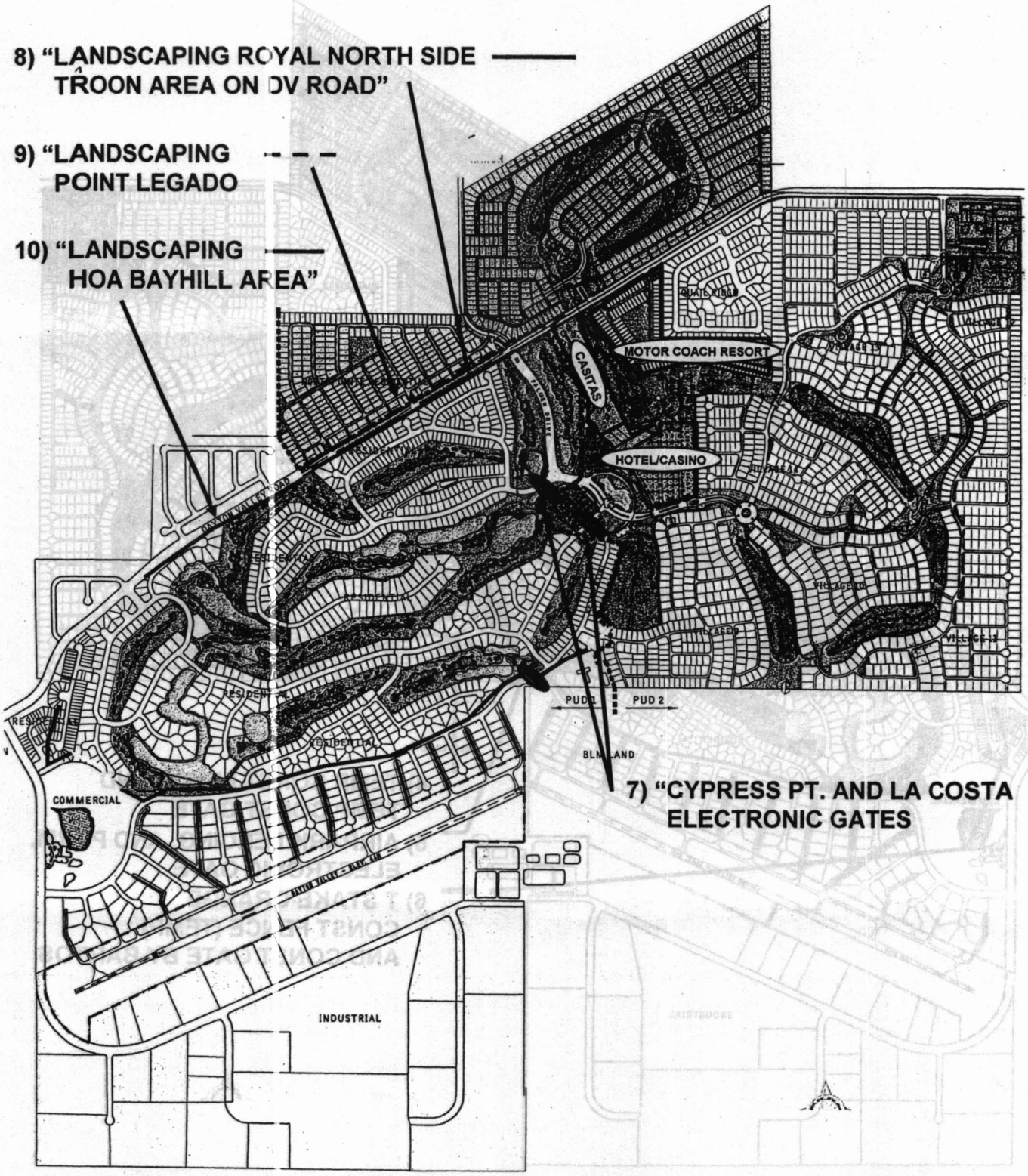
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Other:

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- ✓ Royal Troon/Bayhill landscaping of Dayton Valley road-Wall area- When?
- ✓ Speed Bumps – Cost to Greg for St. Andrews
- ✓ Existing Roads – Lakemont turn over to HOA – Who Maintains?
- ✓ Study fencing enclosure costs and Lakemont will get back to HOA


MOTOR COACH RESORT
CASITAS
HOTEL/CASINO
PUD 1
PUD 2
COMMERCIAL
INDUSTRIAL
1) FENCES ALREADY INSTALLED
2) 6' WROUGHT IRON
3) T STAKE ORANGE CONST FENCE (TEMP) BY LAKEMONT


MOTOR COACH RESORT
CASITAS
HOTEL/CASINO
DAYTON VALLEY ROAD
RESIDENTIAL
COMMERCIAL
INDUSTRIAL
PUD 1
PUD 2
4) TEMP CONST FENCE AND TEMP CONST GATE
5) AIRPARK FENCING, AND PERM. ELECTRONIC GATE
6) T STAKE ORANGE CONST FENCE (TEMP) AND CONST GATE BY BARTOS


8) "LANDSCAPING ROYAL NORTH SIDE TROON AREA ON DV ROAD"
9) "LANDSCAPING POINT LEGADO
10) "LANDSCAPING HOA BAYHILL AREA"
MOTOR COACH RESORT
CASITAS
HOTEL/CASINO
PUD 1
PUD 2
COMMERCIAL
INDUSTRIAL
7) "CYPRESS PT. AND LA COSTA ELECTRONIC GATES

February 16, 2007

To: Board of Directors, DVCA

From: Barbara Mello, Member, DVCA

At the January meeting of the Board of Directors of the DVCA I brought up questions and a request that this board demand from the developer a time certain for completing the fence around the association perimeter and cited NRS 116.350 that imposes "Limitations regarding regulation of certain roads, streets, alleys and other thoroughfares; permissible regulation of parking or storage of certain vehicles." This section of the law restricts what a homeowner's board can do with the streets if the association property is not fully fenced and gated 24 hours a day.

I have done additional research into this matter and learned of actions this board can take, if this board truly represents the members of DVCA and not just the developer.

1. File a complaint with the Lyon County Building Department, through the County manager for the developer's failure to complete his work on this subdivision before he undertakes work on new subdivisions.
2. File a complaint with the Real Estate Division of Nevada, for the developer's failure to comply with NRS 116.4118 "Labeling of promotional material. In print advertising and statements made by two of his sales people at model homes, I have been told that this is a "gated community" and all fences and gates are completed and operating.
3. File a complaint with the Real Estate Division, State of Nevada, regarding NRS 116.4119 "Declarants obligation to complete and restore."
4. The Board can file a complaint with the Nevada State Contractor's Board. There are several instances in the minutes that the developer's representatives have said that work would be done within a specific time frame and it has not been done. I.e. Approximately two years ago the developer's representative stated fencing would be done when the roads in the association were complete. These roads have been done for some time. Also, at the July 18, 2006 board meeting developer representative Carol Dotson reported that the electrical and drainage work was completed for the two gates to replace the Palmer Drive gate and work would begin before the end of the year and take three months to complete. No work has begun as of this time.
5. This Board can use money from the reserve account to complete the fence and replacement gates and make a claim against the developers performance or completion bonds for reimbursement. This would also apply to completing the fence at the Gallery. This would make DVCA a truly legal and fenced and gated community.
6. Charges can be brought with the Lyon County District attorney as to the developer's and individual contractors' false statements when advertising the homes in DVCA as being part of a gated community, which at this time it is not.

To: Board of Directors, DVCA
From: Barbara Mello
February 16, 2007

Be advised that some Insurance companies offer discounts on homeowners insurance of up to five percent (5%) if the home is located in a "gated community." This board is not serving the membership of DVCA to the best of its ability if they do not take action to

Incorporated in Chapter 116 of the Nevada Revised Statutes is the definition of a "gated community" "The provisions of this subsection do not prohibit an association from charging the owner of the property a reasonable and nondiscriminatory fee to operate or maintain a gate or similar device designed to control assess to the planned community that would otherwise impede ingress or egress to the property."

NRS Chapter 484, states "a gated community" is "(5) a residential area or residential community which is gated or enclosed or the access to which is restricted or controlled by a person or a device;"

Again, I ask this board to take action as soon as possible to ensure that this becomes a truly gated community and meet the promises made by the developer and independent contractors who sold these homes as being part of a gated community. The residents of DVCA will never be truly secure in their homes until the fence is complete and gates are working.

February 16, 2007

When I spoke to the Board at the January meeting I was asked to provide in writing the section of NRS Chapter 116 that I was referring to and it would be placed on the agenda for this meeting. I gave Julie a copy of the NRS at that time. On January 14, 2007, I emailed Julie detailing the statute and comments and asked that it be forwarded to the Board members. I also requested that I be on the agenda for this meeting.

When the agenda appeared, I was not listed on it.

I wish to remind the Board that NRS 116.31087 states "Right of units' owners to have certain complaints placed on agenda of meeting of the executive board."

1. If an executive board receives a written complaint from a unit's owner alleging that the executive board has violated any provision of this chapter or any provision of the governing documents 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
2. No 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 unit's owner that, if action is required by the executive board, the subject of the complaint will be placed on the agenda of the next regularly scheduled meeting of the executive board.

This section of the law went into effect in 2003 and management should have been aware of it. Therefore, I wish to state the following and have this and my other comments included in the minutes.

Barbara Mello

February 16, 2007

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