

ARROWCREEK HOMEOWNERS' ASSOCIATION
APPROVED BOARD OF DIRECTORS MEETING MINUTES
FEBRUARY 24, 2015

The meeting started with the Pledge of Allegiance.

CALL TO ORDER, ROLL CALL & QUORUM, INTRODUCTIONS

The board meeting of the ArrowCreek HOA was called to order by Sam Fox, President, at 5:35 PM at The Club at ArrowCreek, Reno Nevada. Proof of notice of the meeting was sent to all owners on 2/6/15. A quorum was established with six of 7 board members present:

Board Members Present:	Sam Fox, President Robin Rakusin, Vice President Charlie Dickinson, Secretary Alan Liebman, Treasurer Steven Elliott, Director Joyce Seelen, Director
Board Members Absent:	John Krisch, Director
Others Present:	Jeanne Tarantino, PCAM – Associa Sierra North Jeff Anderson, AC Operations Manager
Owners Present:	62 owners (representing 50 lots) signed in as present for the meeting

The Board presented an Arrow-Plaque to honor the work of Terry Ross as a board member. Terry's wife accepted on his behalf.

HOMEOWNER COMMENTS

The below items were requested by homeowners to be on the agenda (Item 3a):

- i. Whether the proposed amendment to convert the corporation from non-profit to for-profit violates Article IX;
- ii. Whether the proposed amendment will provide a direct financial benefit to FOA stakeholders in a manner that violates Article IX;
- iii. Whether a vote to approve the proposed amendment by only a majority of the members of the corporation violates Article IX.

Rick Hsu – Spoke to agenda Item 3(a)(i) - The Articles of Incorporation and for-profit business. He disagrees with HOA attorney on the opinion provided to the board. Does not believe that the HOA can be a for-profit entity.

S. Fox responded that there is no proposed amendment to bring forward at this time on a partnership with Golf. As of this date there has been a change in the direction the Golf Club has taken; they want to go private. Questions followed:

- Is the study for the impact of the golf course on community property still proceeding? Yes.
- What is the cost of the study? There are two parts of the study. The cost for both parts is approx. \$5000.
- Does the property value study look at the complete picture; both sides of the equation? Yes.
- When will the study be available? A presentation will be made during the meeting.

Chuck Sonntag – Responded to Rick's presentation, where does the profit come in? Under the original plan, the profit or loss would be under the Joint Venture, not the HOA.

Yvonne Bates – Spoke to agenda Item 6F; to hire UNR to complete a study. Is it the intent of the board to vet both sides fairly in this study, both positives and negatives? One study will be looking at whether a golf course, failing or flourishing would have an impact on property values. Further down the line, should a vote again be entertained, yes, both pros and cons would be put forward. The board is very aware that the homeowners will need to vet out all the positives and negatives.

Ron Duncan – Stated his concerned about the HOA fire plan. He then read a letter provided by owner Peter Linstroth commenting on the Golf purchase. Peter Linstroth was not able to attend the meeting but emailed his comments in advance to be attached to the minutes; see **Addendum A - Why are we Paying for Someone Else Playing?**

Mike Marty – Spoke to agenda Item 3(a)(i) – Echoed the previous comments on how a potential joint venture would violate the Articles of Incorporation. Has the board done the tax research of the Joint Venture?

Susan Duncan – Spoke to agenda Item 6(f); Communications Committee - She is the web master for ArrowCreek 411. Susan provided a handout on how to move around the 411 website. The website has been very successful.
Addendum B- 411 Website

Norm Ziomek – Has a list of ‘facts and circumstances’ that argue against the potential purchase of the golf course. He is requesting 20 minutes to speak to the board in detail at another time. He read the bullet points of his facts at this meeting. **Addendum C – Facts and Circumstances**

Hilary Vass – Spoke to agenda Items 3(a)(i) and 3(a)(ii). She was not aware of the golf issue when she purchased her property. She is in agreement with the previous regarding the change of the Articles of Incorporation and converting to a for-profit.

Wayne Krachun – Read his handout in opposition of the purchase of the golf club. **Addendum D**

Robb Smith – Commented on the law on unintended consequences; the fracture in the community has spilled into the general knowledge in Reno. How will it play out, what kind of responsibility/liability will real estate agents have selling ArrowCreek homes. Not certain that the UNR study will see all the items that could impact the HOA. Needs the HOA to communicate with the real estate community for proper disclosures to counteract home value regression.

Don Smaltz – Spoke to the 11/17/14 minutes, a correction needs to be made. The draft states “Mr. Smaltz submitted a certificate of bylaws amendments to be considered on the use of Robert’s Rules”. What actually happened is that he made a point of order that the board was not following Roberts Rules. He pointed out that the Board was required by the first amendment of the Bylaws to follow Roberts Rules. The board will research if the Parliamentary Policy adopted by the board is in violation. This item will be clarified on the next meeting agenda. Mr. Smaltz requested his statement be included in the minutes. **Addendum E**

Lois Smaltz – Spoke to agenda Item 3 (a)(ii). Though the board is not taking action on purchasing golf at this time, there has not been a decision to stop future actions. Time and money is still being spent. Lois read her statement on reasons why it’s not a good idea. **Addendum F**

Stephen Turner – Shared his experience being a golf member early on. Feels golf is a ‘bad asset’ and should not be purchased. Also spoke to the Articles of Incorporation and how/if they can be amended. He stated that the board is really doing their due diligence, but wants the board to make sure that a wedge does not get created among owners. He is also concerned that the UNR study could scare the community.

Mark Gordine – If the vote is not going through, why are we spending money on a study. Suggests to the board that they state they are not pursuing and spend no further money. It would be advantageous to the community if the real estate market was assured that nothing is going on.

MINUTES

Approval of the November 4, 2014 Board Meeting Minutes.

MOTION: S. Elliott moved to approve the board meeting minutes of 11/4/14 as presented. C. Dickinson seconded. No discussion. A. Liebman & J. Seelen abstained because they were not board members at the 11/4/14 meeting. All others in favor; motion carried by unanimous vote of those voting.

Approval of the November 17, 2014 Board Meeting Minutes - A correction to the Presentation to ACCC section, Page 1, it should read: letter of intent between the FOA and the HOA (not Arnold Palmer and HOA). A correction should also be made to the homeowner comments made by Mr. Smaltz. See his above homeowner comment.

MOTION: R. Rakusin moved to approve the board meeting minutes of 11/17/14 as corrected. C. Dickinson seconded. No discussion. Liebman & J. Seelen abstained because they were not board members at the 11/17/14 meeting. All others in favor; the motion carried by unanimous vote. S. Elliott

Approval of December 9, 2104 Board Meeting Minutes.

MOTION: S. Elliott moved to approve the board meeting minutes of 12/9/14. S. Fox seconded. Discussion ensued. All in favor; motion carried by unanimous vote.

Review of the December 9, 2014 Annual Members Meeting (for approval at the next members meeting).

ARROWCREEK COMMUNITY CLUB COMMITTEE UPDATE

Rich Kenny presented. He started by stating that he is tasked with providing facts, not his opinion. Rich gave the history of how this golf issue started. It is difficult for HOA's to move quickly so the Committee has worked to be proactive. The research that is continuing now is to help with quick action when the HOA needs it. The presentation will be posted on the HOA website.

1. There has been a change in the Club business model; they have decided to go 100% private. They expect to gage the results in a month or two.
2. Anything done with the FOA in the past is no longer valid. The HOA is waiting to see the results of the new business model.
3. The ACCC will continue to do additional fact finding. But any vote that could potentially take place is delayed until at least the fall.
4. The ACCC is re-evaluating costs; what would the costs be if the HOA took over the course and not operate it like a golf course. This is information that could be needed in the future.
5. We acknowledge that the articles require a 2/3 vote and there is discussion about not for profit status and any profit the HOA could make.
6. Property taxes for HOA owned property would be passed through to owners. For example, the new maintenance building increased homeowner taxes. If the HOA would acquire the golf course the tax burden (currently \$40,000, approximately \$40 extra per year to each owner) would be the burden of the homeowners' personal tax bill.
7. Thank you to the Communications Committee for putting together so much information, including the FAQs document (sent to all owners and posted on the HOA website).
8. The question was asked, have tax implications been researched being a for-profit? Yes, research has been done. Should that occur deductions could also be taken.
9. A question was asked about a bridge loan. There is no legal arrangement made regarding a bridge loan with the FOA. There was a discussion early on knowing that the HOA cannot act without a vote of the owners. But nothing has occurred, nor is anything scheduled to occur.

10. A comment was made about other buyers of the golf course. To the best of the HOA board and committees knowledge there were no other bidders for the golf course other than the FOA and the original owner. This was evidenced by the lack of bidders to come forward during the bankruptcy proceedings.

Rich stated that the HOA is not continuing to research a bank loan at this time. The board is looking now at various scenarios that are less ambitious. Discussion ensued with the owners present.

FINANCIAL

BUDGET & RESERVE PRESENTATION: By Alan Liebman. The Reserve Committee recommendations to the board are as follows:

- Ratification of annual contract with Steve Seeds of APTEch for analysis of 2015 road work and oversight of the bidding process.
- Approval of the purchase of two security vehicles; previously approved with the 2015 Reserve Budget and as listed in the Reserve Study

MOTION: R. Rakusin moved to ratify the approval of the annual 2015 road work contract with APTEch, basic services of \$28,042. S. Fox seconded. No discussion. All in favor, the motion carried by unanimous vote.

MOTION: R. Rakusin moved to ratify the purchase of two new Security vehicles for approximately \$67,000. The vehicle purchases were pre-approved with the 2015 Reserve Budget; the vehicles are designated in the reserve study for replacement. S. Fox seconded. No discussion. All in favor, the motion carried by unanimous vote.

BUDGET & FINANCE REPORT – Note: The Board President and Treasurer have been provided with current reconciliations of the operating and reserve accounts and the latest account statements prepared by the financial institutions in which the accounts of the association are maintained. The financial reports also include the current year –to-date financial statement of the association, and current year-to-date schedule of revenues and expenses for the operating and reserve accounts. The entire board has been provided with the Balance Sheet and Income Statements. The financial report and presentations are posted on the www.arrowcreek-hoa.com website.

Presentation by Alan Liebman. The 11/30/14 unaudited financials were presented. The variances to budget were highlighted. Financial reports are posted on the HOA website. Recommendations by the Committee are as follows:

- Acceptance of current financials (unaudited) as prepared by ASN. Action to accept to include bad debt write-off
- Ratification of 2/15/15 insurance renewals. Similar policies, minimal increases.

MOTION: R. Rakusin moved to ratify the approval the annual 2015 insurance renewals as recommended. J. Seelen seconded. No discussion. All in favor, the motion carried by unanimous vote.

MOTION: S. Elliott moved accept the 11/30/14 un-audited financial reports as presented by Associa Sierra North and an old 2006 bad debt write-off of \$5493.89. R. Rakusin seconded. No discussion. All in favor; the motion carried by unanimous vote.

STAFF & COMMITTEE UPDATES

2015 COMMITTEE MEMBER APPOINTMENTS – The 2015 proposed committee member roster was presented. Committee Charters and members are posted on the arrowcreek-hoa.com website. A Member Roster is attached as **Addendum G** to these minutes. C. Dickinson noted that a revised charter to the ACCC Committee will be submitted at the next meeting to increase the number of members allowed.

MOTION: S. Fox moved to approve the list of 2015 ArrowCreek Committee Members as presented. R. Rakusin seconded. No discussion. All in favor; the motion carried by unanimous vote.

OPERATIONS REPORT –By Jeff Anderson. There has been very little snow this season. For this year’s asphalt projects the emphasis will be on the walking paths; there are 10 miles of paths. Also to be addressed will be the seal coating on ArrowCreek parkway and the normal crack sealing and patching. The water bill expense is over budget for the year. This is due to additional watering in the drought conditions. We anticipate that the need for additional watering will continue through 2015. The HOA utilizes high quality irrigation, mulching and fertilization techniques to support the landscaping and the watering process. Watch out for crews; we need to keep them safe.

SECURITY REPORT – No Report (Rick Reyme out sick).

SAFETY COMMITTEE – C. Dickinson reported. A written update from Committee Chair Mary Steele was presented to the board. The Safety Committee is working on the following issues:

- a) **Notification of GPS Map Providers** regarding need to change driving directions to avoid Indian Ridge (no left turn at High Vista off Indian Ridge and no through traffic onto Rue St. Tropez – only right turn allowed due to new median). No through traffic using Indian Ridge.
 1. Apple Maps, Google Maps – route changed after communication from Stephen Turner to provider: WAZE system informed of change by Stephen Turner.
 2. Other providers – change requests sent 9-29-2014 by Mary Steele
 - a. MapQuest – routing reflects requested change.
 - b. *Yahoo Maps – no change*
 - c. *Road McNally – no change*
 - d. *Garmin – no change*
 - e. *TomTom – Mary no longer has access to this program and was unable to check*
 - f. AAA – routing reflects requested change.
 3. It appears as if the routing change is slowly making its way into the various map programs.
 4. No further action on this topic is required.

- b) **Community CPR / Basic Life Support (BLS) Training Class**

Clyde Ikehara and committee are looking into community desire for this type of class and specific type of class desired, cost of providing a class, and scheduling of class.

- c) **Use of open field by Resident’s Center** as off leash area for dogs
Committee is reviewing historical data and actual usage of this field after committee member expressed concern regarding residents trying to use park while dogs are off leash.

There was discussion on an ‘evacuation plan’. ArrowCreek is a ‘stay in place’ community which means that the fire department will tell residents when and how to evacuate given the event at hand. Evacuation instructions are at the direction of the fire department. Discussion ensued. Fire safety information is posted on the HOA website.

ADRC COMMITTEE – No Update

ADMINISTRATIVE COMMITTEE – No update.

ARROWCREEK COMMUNITY CLUB (ACCC) COMMITTEE – An update presentation was provided earlier in the beginning of the meeting.

COMMUNICATIONS COMMITTEE – By Norm Reeder. The purpose of the committee is to ‘communicate’. The committee is working hard to present the facts. The Committee is made up of members on both sides. The

FAQs (frequently asked questions) has been completed and is posted on the website. The second batch of FAQs is almost completed. Thank you to John McGhee for his help to format the document. Due to the increasing volume of communications and updates of information posted on the website the Committee recommends adding Board Member Joyce Seelen as board liaison.

The Committee recommends ratification of the approval to hire UNR to conduct a survey of property values and associated golf course impacts and to assist with a community census and survey of interests and demographics. The cost for both activities will be approximately \$5000. The demographic survey addresses what members in ArrowCreek want to see in the community going forward. The survey will be useful whether or not the HOA pursues the purchase of golf. UNR has also been asked to complete research on the impact of a golf course on property values. It is an objective study. The only input the HOA gave UNR is to answer the question "what is the impact". The study is to include a golf course closing and of the raising of assessments. Town halls will be scheduled well before any vote, should there be a vote.

MOTION: S. Fox moved to ratify the approval to hire UNR to conduct a survey of owners and to complete research on how golf impacts property values. The cost for the survey and research will not to exceed \$5,000. S. Elliott seconded. No discussion. All in favor, the motion carried by unanimous vote.

John McGhee presented a proposal to evaluate stand-alone website. Options on a private website and moving the current website from Associa. The current Associa 'template-website' is not flexible enough and does not provide for the current HOA needs. A bid of \$4015 was obtained to build the initial website. Discussion ensued with the owners present. The board still has questions about this proposal. No action to be taken at this time. This will be an agenda item for the April board meeting.

GOVERNING DOCUMENTS COMMITTEE – No update.

FUELS MANAGEMENT COMMITTEE - The Archeological Study has been completed and approved by the grant department. No board action needed at this time. We hope to have proposals to start work at the 3/31/15 bid opening meeting.

OTHER BUSINESS

2015 INSURANCE RENEWALS: Completed during the financial portion of the meeting.

COMPLETED ACTION LISTS FROM PRIOR MEETINGS – All manager-task items have been completed. Note that the Fuels Management Policy (chair person John Krisch) is currently on hold. And the documents amendment workshops are not ready to be scheduled.

SUMMARY OF EXECUTIVE SESSION BOARD MEETINGS HELD PRIOR TO THE REGULAR SESSION:

Meeting highlights from 2/24/15:

- Approval of the 11/4/14 executive meeting minutes.
- There were 6 violation hearings scheduled; 5 for speeding and 1 for unapproved arch (building without approval)
- Review of Delinquency & Collection Reports. There are 2 accounts in final warning status. There are 8 accounts at collection; 2 on payment plans. There are two collection legal actions pending. 2014 YTD Alessi Koenig collected \$89,057.64 for the HOA. YTD 2015 \$3,663.70 has been collected.
- Bad debt write-off - \$5,493.82 of old assessments and fees from 2006 was approved for bad debt write off. The HOA was able to collect a \$2000 settlement (plus legal fees) from one of the previous lot owners.
- Review of Violation status reports; Summary count report and open violation report. There have been 46

violation records created in 2015 YTD.

- Legal – Discussion of two legal collections items.

HOMEOWNER COMMENTS

R. Duncan – Submitted an additional complaint that the HOA was not in compliance of NRS for not posting the November minutes within 30 days. **Addendum H.** Action to correct the matter has been taken; minutes are being typed on the computer at the meeting (in lieu of hand written notes) for quicker turn-around-time.

ADJOURNMENT

MOTION: S. Fox moved to adjourn the meeting. R. Rakusin seconded. The meeting adjourned at 9:00 PM by unanimous vote.

Approved by:

Respectfully Submitted by:

Jeanne Tarantino, PCAM
Associa Sierra North

ArrowCreek HOA Board Member

MINUTES ADDENDUM A – Homeowner Comment

WHY ARE WE PAYING FOR SOMEONE ELSE PLAYING? From Peter Linstroth

Currently to be a member there are:

- No Initiation Fees
 - o Seldom is a private club w/o an initiation fee
- \$475.00 a month for:
 - o Unlimited tee times
 - Unlimited guests can golf for Free 6 times per guest per year!!!!
 - If I had 100 friends, I could bring them each out six times a year to golf for free!!
 - That is 600 rounds of golf for FREE!!
 - o No wonder the club is in financial trouble!!!
 - o Seven day advance booking
 - o Free storage of clubs
 - o Free locker
 - o Free cart usage
 - o Amenities at the clubhouse
 - § Corkage
 - § Other
- Only a one year commitment by a member

Perhaps members should pay a onetime non-refundable initiation fee of \$10,000.00
200 members = 2 million dollars

If the market will not bear this fee, then it is time to shut the club down.

Golf is down 40% in past decade

- If Reno has ten golf courses, four should close

If the golf courses go brown, there would be negligible value decline in homes. If there were, it would be nowhere near the decline of home values during the recession that started in 2008.

Who cares if we are: "Allowed" to have dinner at the club dining room on Saturday nights.

Big deal! There are better restaurants not far from ArrowCreek that offer a better selection at a better quality and value.

If the club were to offer better food at a better quality, the expenses of running the club will increase as will the cost of dining at the club.

If this is such a good deal, let the 'Friends of ArrowCreek' own it and make a profit on it!

MINUTES ADDENDUM B – Homeowner Comment

Dear ArrowCreek Neighbor, ***Come Join the Discussion!!***

20 January 2015

In November a group of your neighbors, from the Painted Vista area, got together and discussed common interests and ways to improve the ArrowCreek community. One of the highlights of that discussion was the need for a community forum that was independent of our ACHOA Board's highly structured and censored ArrowCreek-HOA web site. That was accomplished a few days later, and as some of you know, it's called **arrowcreek411.wordpress.com**. It is an unofficial, independent website done by an ArrowCreek homeowner and unsanctioned by the HOA.

It is intended to be a long-lasting ArrowCreek community go-to page. This website covers many topics (You may want to have the website up while reading this.). Across the top under the photo is a menu of links to various pages on the website. Just click and go! In the column along the right side there are quick spots to help you make sense of how to get to other information. At the top is a spot to add your email address if you would like an email when a blog or comment gets added to the site. Next is a counter of how many times someone has looked at something on the site. Then there's a link to a page explaining what the commonly used acronyms and abbreviations mean. Followed by a listing of links organized within "interest categories" such as: ArrowCreek Internal Sites, Other Blog Sites (Blogroll), Golf Links, Nature, Nevada Legal Links, Resident Artists, Resident Photographers, Resident Writers, Neighborhood Schools, Things to Do, Weather, and Websites for Other HOAs (Our HOA Board is looking at the possibility of having a different HOA Website.).

There is also a Search Spot to do your own key word search. Next is a list of Top Posts, Pages, & Recent Comments so you can see the most popular things being read at the moment, followed by a calendar that shows dates **bold** when new blogs were posted. If you click on that date, the blog written on that date pops up. The calendar is followed by monthly archives of blog material. The big blob of words that is next is actually a way to show in a small space what topics are discussed on the website. The bigger the word, the more "tags" or discussions it has. If you click on one of the words, you will get a list of blogs that have been "tagged" as dealing with that topic. Then there are contact names and methods. Finally is an indented list of the pages on the website that is called a Site Map because it shows you how to drive through the pages.

Currently, the number one topic is our ACHOA proposed purchase of The (golf) Club here at ArrowCreek. The website contains literature and experiences of other HOAs that tried the transition of owning a Golf/Country Club. A portion of the literature appears favorable. Some of it is not. As materials are generated for our decision process, they will be included on this site for your review **and comment**. The Webmaster does perform some minor editing but absolutely no censorship (other than poor or accusatory language). We invite you to review the materials and come to your own conclusion for this important future vote. Feel free to comment. **That's the purpose of this site: a dialogue between neighbors to share in building our community.**

Remember to check out: **arrowcreek411.wordpress.com**

I look forward to your joining the discussion!

The ArrowCreek411 Webmaster, *Susan*

Susan Duncan 3363 Nambe Dr., Reno NV 89511 arrowcreek411@gmail.com

MINUTES ADDENDUM C – Homeowner Comment

● Page 2

Norm Ziomek

February 24, 2015

Facts and Circumstances to be presented to the AC Board in a 20 minute presentation.

Golf is a declining activity. The number of U.S. golfers dropped 20% from its peak in 2002 to 2013.

Boomers have not taken up the sport as expected, and millennials do not seem to have the time, money or interest.

More golf courses closed than opened in the U.S. in 2013 for the eighth straight year.

To the best of my knowledge, AC Golf Club was never profitable over its existence.

Developers of golf communities build courses to sell property, not for the long term viability of the golf courses.

Demographic changes must be recognized and considered. Hoping for enough golfers to be able to financially support two 18-hole courses is like saying gambling revenues will come back to previous levels in Washoe County or suggesting people will move back to farms.

The next 2 items have to do with the prospects for selling homes in AC in the event the golf club and courses are purchased.

With a real risk of golf course operations being unprofitable in the future, and probably having to be subsidized by homeowners, fewer potential home buyers can be expected. Potential buyers will do their "due diligence."

With higher dues, fewer potential home buyers will also be expected, especially for AC semi-custom homes. Brand new, equivalent size or larger homes are available in Washoe County in the same price range (\$500K to \$600K) with lower HOA dues, i.e., without a golf course premium.

Home ownership is an investment in real estate. Investments in real estate are not risk free. There are no guarantees about views when purchasing a home. Golf course views and frontage are not part of property titles.

From inception, Board guideline for investing homeowner funds was to seek only the most conservative, risk free instruments. This was, and is, the appropriate approach and strategy for homeowner monies. My hope is that it still is being followed. The same conservative guideline and approach should be followed for any golf course investment.

Owning a golf club with a restaurant and two 18-hole courses will require substantial time and attention by the AC Board. Even if Arnold Palmer is great, oversight is required – perhaps by a new committee, but still the Board will be responsible. If the Board is expanded with additional members, it may be more cumbersome to get things done.

MINUTES ADDENDUM D – HOMEOWNER COMMENT

My name is Wayne Krachun residing at 3458 Forest View Court. I will address agenda item 6F.

You have started a chain of events that is splitting our community. May I remind you of your financial duty to all lot owners. Not merely the FOA members. You would better serve our community and quell rumors that have filled the void of non information if each of you would state your stance tonight.

Allow me to read from President Sam Fox's message in the recent newsletter.

"The Board will monitor how well this (new membership) strategy works and if it restores the Club to profitability." WHY IS THE BOARD INTERESTED IN A PRIVATELY OWNED BUSINESS?

"It is the Board's legal duty to determine if the HOA ownership of a financially astute Club would be in our best interests." REALLY? YOU HAVE A LEGAL DUTY? IF THE CLUB IS PROFITABLE, IT SHOULDN'T MATTER WHO OWNS IT.

AND IF IT'S NOT PROFITABLE, WHY WOULD WE WANT TO OWN IT? TO CONTROL OUR DESTINY?
PLEASE EXPLAIN WHAT THAT MEANS.

You are spending my money to determine how a golf course positively affects property values. Have you considered how steadily rising HOA fees negatively affects property values?

And another study – with the help of UNR's Economics Dept. - for input from homeowners regarding activities, programs and social events? Are you aware of the many activities already existing here? All managed by volunteers?

You reference a non-HOA website which is controlled by non HOA affiliated homeowners. You make it seem like a rogue thing. I do believe the arrowcreek411 website was created by a member in good standing of our HOA.

In addressing the proposed Town Hall meetings to present all details of the Board's proposal you wrote, "All homeowner questions will be answered at those meetings." I want to hear your answer to when will the GC turn profitable, and what are the accumulated losses up to that point?

You have entered an area that is none of your business. The GC is owned, operating and trying to increase membership. Wish them success, back off and allow capitalism to function.

MINUTES ADDENDUM E – Homeowner Comment

Include

My name is Don Smaltz. My wife Lois and I reside 1398 Amado Court.

At this time, I request that the Board correct the Draft Minutes for November 17, 2014, which is Item 4 B on tonight’s agenda.

My objection is that the draft minutes of November 17 are inaccurate, when they mention me.

The draft states:

“Mr. Smaltz submitted a Certificate of Bylaws Amendment to be considered and commented on the use of Roberts Rules.”

What actually occurred is that I raised, as a point of order under Roberts Rules of Order, an objection that the Board was not conducting the HOA meetings fairly when it failed to follow Roberts Rules.

My point of order was overruled. The Board declared it was not bound to follow Roberts Rules of Order, because it had adopted a different set of its own rules for its meetings. I pointed out that the Board was required, by the very first amendment to the HOA By-laws in 1997, to follow Roberts Rules of Order. I also handed a copy of this By-law to the Board at the conclusion of the meeting, and asked that it be included with the minutes, which has not been done.

That By-law provides:

A new Section 5.07 shall be added to the Bylaws, as follows:

Unless otherwise provided in these Bylaws, the Declaration, or the Articles of Incorporation, all meetings of the Association shall be conducted in accordance with the procedural rules specified in the most current edition of Roberts Rules Of Order.

(A copy of the By-law is attached to this statement as Ex 1)

I also asked the Board to produce the written Procedure it relied upon in disregarding Roberts Rules of Order. The document I eventually received is entitled Arrowcreek HOA Board Of Directors Resolution Pertaining To Parliamentary Procedures. (A copy is attached as Ex 2 to this statement.)

I am submitting these remarks in written form and ask this submission be made a part of the minutes of this meeting.

Thank You,

Don Smaltz.

MINUTES ADDENDUM F – HOMEOWNER COMMENT

February 24, 2015

I'm Lois Smaltz. In September 2013, my husband and I bought our home on Amado Court in ArrowCreek. I am a retired attorney, and I spent 20 years as a Superior Court judge in Los Angeles County. In Washington state, just before we moved here, my husband and I each served terms as the president of our homeowners association.

My comment goes to Item 3(a)(ii) – whether there is a direct financial benefit to the members in the Friends of Arrowcreek, a limited liability company.

The Board has recommended that the Homeowners Association consider purchasing the golf courses from the Friends of Arrowcreek. There at least two important this transaction would be unlawful:

- (1) The Friends of Arrowcreek, Limited Liability Company, has represented itself as being formed by 30 or more residents of ArrowCreek, who are therefore members of our Homeowners Association.
- (2) Although the dollar amount of the price has not yet been announced, the formula has been described as the FOA's cost of acquisition and its subsequent maintenance expenses, plus 12% per annum.

Our Articles of Incorporation prohibit this kind of transaction.

Article IX (last sentence of the first paragraph) prohibits the Homeowners Association from permitting its earnings to benefit any member of our Homeowners Association.

Someone may come up with this clever argument: Since the Homeowners Association would buy the courses from a Limited Liability Company, there is no benefit to the Arrowcreek residents who own that company. That argument is contrary to Nevada law (NRS 86.341), which states that **the profits of a Limited Liability Company are distributed to its members.**

The “investors” in the FOA and its attorneys have publicly stated that this LLC was formed by ArrowCreek residents for the sole purpose of buying and operating the Arrowcreek golf courses.

It is plain logic that, if the Arrowcreek Homeowners Association buys the golf courses from the FOA by adding up all the FOA’s costs to acquire and maintain the courses, plus paying them an additional 12% interest on those costs, then the Friends of Arrowcreek will have realized at least a 12% profit. And Nevada law says the LLC’s profits are distributed to all the LLC’s members. Here, that includes FOA investors who are also members of the ArrowCreek Homeowners Association – and that is a violation of our Article IX.

So, I ask the Board to please ask your accountant to address this question:

If the ArrowCreek Homeowners Association buys the golf courses from the FOA at its cost plus 12%, isn’t the profit simply being passed through to FOA members?

MINUTES ADDENDUM G – 2015 COMMITTEE ROSTER

ADMINISTRATIVE COMMITTEE

Board Liaison: Charlie Dickinson

Chairperson: (none at this time)

- Wayne Krachun
- Forrest Patin

Architecture Design Review COMMITTEE (ADRC)
(voting members*)

Board Liaison: Charlie Dickinson* & John Krisch*

Chairperson: John Krisch (Board Member)*

- Dave Steele
- Kadi Mohr*
- Patricia Leonard*
- John Perduk*
- Paid Committee Experts: Seth Padovan, Steve Miles, George Trowbridge, Chuck Matetich
- Jeff Anderson, Dave Dingman & Jeanne Tarantino (assisting staff & mgt)

ACCC Committee

Board Liaison: Charlie Dickinson

Chairperson: Rich Kenny

- Sam Fox (Board Member)
- Paul Burkett
- Norm Reeder
- Gary Smith

COMMUNICATIONS COMMITTEE

Board Liaison: Joyce Seelen

Chairpersons: Paul Burkett; Co-Chair Norm Reeder

- Mike Hendi
- Harvey Katz
- John McGhee
- Hal Albright
- J.R. Rodine
- Joseph F. Uhlan
- Susan Duncan
- Elizabeth Heaven

FINANCE & BUDGET COMMITTEE

Board Liaison: Alan Liebman

Chairperson: Paul Burkett

- Robin Rakusin (Board Member)
- Ken Peterson
- Gary Babykin
- John Krisch (Board Member)
- Dave Steele
- Rich Kenny
- Jeff Anderson, Staff (assisting)

FUELS MANAGEMENT COMMITTEE

Board Liaison: John Krisch

Chairperson: Mike Moll

- Janet Oren
- Kathi Delegal

GOVERNING DOCUMENTS COMMITTEE

Board Liaison: Joyce Seelen

Chairperson: Steve Elliott (Board Member)

- William Brown
- Rick Reyome, AC Security Director
- Jeanne Tarantino, Community Manager (assisting)

HEARING COMMITTEE

- 3 Revolving Board Members

RESERVE FUND COMMITTEE

Board Liaison: Alan Liebman

Chairperson: Gary Smith

- Paul Burkett
- Bill Boon
- Sam Fox (Board Member)
- Dave Steele

SAFETY COMMITTEE

Board Liaison: Charlie Dickinson

Chairperson: Mary Steele

- Neal Fincher
- Clyde Ikehara
- Stephen Turner
- Jeff Anderson, Operations Manager
- Rick Reyome, Security Director

MINUTES ADDENDUM H – HOMEOWNER COMMENT

Insert

11 February 2015

Hand Delivered at ACHOA Board Meeting 24 February 2015

Board of Directors
ArrowCreek Homeowners' Association (ACHOA)
Secretary Charles Dickinson
Reno, Nevada 89511

Re: Complaint Alleging Violation of Nevada Revised Statute 116.3108(6) by the ACHOA Board of Directors and the Management Contractor Associa Sierra North

Dear Mr. Dickinson:

Pursuant to NRS 116.31087(1), the undersigned owner in good standing of a lot in ArrowCreek, hereby submits this complaint alleging that the Board of Directors of the ArrowCreek Homeowners Association (Board) and its Management Contractor have violated the Nevada Revised Statute governing the Association's business.

NRS 116.3108(6) provides:

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. Not more than 30 days after each such meeting, the secretary or other officer specified in the bylaws shall cause the minutes or a summary of the minutes of the meeting to be made available to the units' owners. Except as otherwise provided in this subsection, a copy of the minutes or a summary of the minutes must be provided to any unit's owner upon request, in electronic format at no charge to the unit's owner or, if the association is unable to provide the copy or summary in electronic format, in paper format at a cost not to exceed 25 cents per page for the first 10 pages, and 10 cents per page thereafter. (Emphasis added)

The ACHOA Board of Directors violated this statute by failing to post meeting minutes within the 30-day time period. This allegation is supported by Enclosures A thru C. Although the ACHOA Contractor has tried to take the blame for repeatedly violating this statute over the past three years, the ACHOA Board is ultimately responsible for such violations. This violation is punishable by issuing a 30-day notice of termination to the contractor.

I thank you for your prompt attention to this matter, and do not recommend the punishment listed, but merely a change in the process for the ACHOA Board and contractor to ensure timely availability of minutes.

I look forward to receiving your acknowledgment of this complaint and confirmation that this issue is resolved and a new procedure and process are available for community review.

Sincerely,



Ronald W. Duncan
3363 Nambe Dr.
Reno, NV 89511

Enclosure A:

- [Jeanne Tarantino](#)
- Jan 21

To

- Ron Duncan

CC

- Rick Hsu
- Don Smaltz
- Patricia Raysik
- Wayne Krachun
- Forrest Patin
- and 4 more...

Attachments

- [11-17-14 AC SPEC MIN BOD DFT.pdf](#)

[Download All](#)

Dear Mr. Duncan,

Thank you for your below email. I will be posting additional minutes on the website this week, but they are available now. I have attached the draft 11/17/14 minutes per your request. Thank you.

Sincerely,

Jeanne Tarantino, PCAM, AMS, CMCA

Nevada Certified Supervising Community Manager

Sr. Vice President

Associa Sierra North

10509 Professional Circle #200, Reno, NV 89521

Direct Phone: 775-334-7403