

**CAUGHLIN RANCH HOMEOWNERS ASSOCIATION NOTICE OF MEETING
TO CONSIDER SPECIAL ASSESSMENT AND APPLICATION OF SURPLUS FUNDS TO
PURCHASE 1070 OFFICE BUILDING
Wednesday, March 28, 2018, at 6:00 p.m.
1070 Caughlin Crossing, Reno, NV 89519**

- 1. Call to order and establish quorum.**
- 2. Member Comments: This time is devoted to Association Members who have comments and/or concerns regarding items on this agenda.** Except in the case of an emergency, no action may be taken upon a matter raised under this time of the agenda until the matter has been specifically included on an agenda as an item upon which action may be taken. The Board has the authority to limit the time for individual comments. A time limit of two (2) minutes per member has been allotted. No member can give away his or her allotted time to expand another member's time. In consideration of other members who may wish to present comments and/or concerns, please avoid repetition.
- 3. Report on Member's Vote by Ballot:** The Board sought a majority vote of the Members to approve the Board passing an assessment to purchase the Association's office Building located at 1070 Caughlin Crossing ("Building") and utilizing the Accumulated Surplus Funds to offset the assessment through a ballot procedure. After extending the ballot deadline to January 19, 2018, and then to February 23, 2018, a sufficient number of ballots were received to decide the issue. A majority of the Members returned ballots in favor of the Board passing the assessment and utilizing the Accumulated Surplus Funds to offset the assessment.
- 4. Consider Purchase of the Building *:** Consider decision on whether it is in the best interest of the Association to Purchase the Building. The Association, acting through the Board, has the authority to acquire own, and operate the Building. Currently, the Association pays \$60,684 annually in lease payments for the Building, which amount increases 2% each December. The Association's lease for the Building includes an option to purchase the Building at the end of the lease term for an amount which has been calculated to not exceed \$590,000. Based on its financial analysis, the Board of Directors and Finance & Budget Committee calculated that a loan payment, contributions to reserves, and insurance and taxes will not exceed the annual lease amount paid for the Building.
- 5. Consider special assessment for the down payment and loan for acquisition of the Building *:** The Board has the right to levy special assessments upon a determination by the Board that such assessment is necessary for capital improvements or for the acquisition of additional Association property, or for the benefit of the Association Members. Out of an abundance of caution, the Board sought a majority vote of the Members to authorize the Board to pass an assessment to purchase the Building. A majority of the Members returned ballots in favor of the Board passing the assessment. The Board will consider a special assessment of approximately \$131.16 for each Lot owner for use as the down payment for the Building, with the remainder of the purchase price of the Building financed with a loan through Mutual of Omaha Bank ("Bank") with a promissory note on a 10-year fixed term, and a security agreement assigning the Association's right to future assessments pursuant to the Bank's standard loan documents ("Loan Documents").
- 6. Consider Application of surplus funds to offset the special assessment *:** Commencing in 2014, the Association set aside \$75,000 annually to potentially be used towards the purchase of the Building, which has accumulated to \$300,000 plus interest ("Accumulated Surplus Funds"). Consider using the Accumulated Surplus Funds as the down payment of the Building and crediting \$131.16 to each Lot owner's account as its share of the Accumulated Surplus Funds, to offset the special assessment as authorized by NRS 116.3114, resulting in a net impact of the assessment to the Members of \$0.

Out of an abundance of caution, the Board sought a majority vote of the Members to authorize the Board to utilize the Accumulated Surplus Funds to offset the assessment. A majority of the Members returned ballots in favor of the Board utilizing the Accumulated Surplus Funds to offset the assessment.

7. **Consider Approval of Purchase Agreement and Loan Documents ***: Consider and approve the Purchase Agreements and Loan Documents under the Board's authority to make contracts, incur liabilities, borrow money, and assign the Association's right to future assessment income, to effectuate the purchase of the Building. The Association has the right to make contracts, incur liabilities, borrow money, and to assign its right to future income.
8. **Consider Authorizing the President to Sign Purchase Agreement Documents and Loan Documents ***: Consider, and authorize the President to make contracts, incur liabilities, borrow money, and assign the Association's right to future assessment income, to effectuate the purchase of the Building, to execute the Purchase Agreement, Loan Documents, and all other documents necessary to acquire the Building. The Association has the right to make contracts, incur liabilities, borrow money, and to assign its right to future income.
9. **Member Comments: This time is devoted to Association Members who have comments and/or concerns regarding any association matters.** The Board has the authority to limit the time for individual comments. A time limit of two (2) minutes per member has been allotted. No member can give away his or her allotted time to expand another member's time. In consideration of other members who may wish to present comments and/or concerns, please avoid repetition.

Items identified with an asterisk "" are intended for Board action. NOTICE: NRS 116.31083 provides that each notice of a meeting of the executive board (aka: Board of Directors) must state the time and place of the meeting and include a copy of the agenda for the meeting or the date and location(s) where copies of the agenda may be conveniently obtained by the units' owners. General Business Meeting Agendas are posted on the Caughlin Ranch website and in the brochure box to the right of the entry door of the Association office at 1070 Caughlin Crossing, Reno, NV 89519. You may also call 775-746-1499 to obtain a copy. Agendas are available at least seven (7) calendar days before each scheduled Board Meeting. You are also notified of the rights of a unit's owner to: (a) Have a copy of the minutes or a summary of the minutes of the meeting provided to the unit's owner upon request, and, if required or by the executive board upon payment to the association of the cost of providing the copy to the unit's owners or in electronic format at no cost. (b) Speak to the association executive board, unless the executive board is meeting in executive session. (c) A copy of the audio recording of the minutes or a summary of the minutes of the meeting provided to the unit's owner. Any comments made may potentially become a permanent record of the minutes.*

This Meeting will be immediately followed by a Board of Directors General Business Meeting.