

**Virginia City Highlands Property Owners' Association**  
**Minutes – Emergency Meeting – Friday, July 12, 2013**  
**V.C. Highlands Fire Station Training Room**

**Present:** Dave Thomas, Patrick Flanagan, Karlyn McPartlin, Jim Watson, and Jack McGuffey

**Absent:** None

**I. Call to Order, Declaration of a Quorum, and Approval of Meeting Agenda**

President Thomas called the meeting to order at 7:01 pm and declared a quorum present. A motion by McPartlin, seconded by Watson, to approve the agenda as posted was approved with Flanagan opposed.

Thomas explained the procedure for emergency meetings as outlined in state statute.

**II. Comments by Association Members**

No comments were offered.

**III. Review 2013 Directors' Election Status and Procedures**

Thomas explained that certain issues have been raised on the VCH chat board and at the board level regarding election procedures and non-compliance with the governing documents of the association.

A motion by Watson, seconded by McPartlin was read as follows:

Due to actual or perceived problems associated with the current VCHPOA Board of Directors election relating to: (1) the timing of the receipt of candidate nomination forms; (2) candidate disclosures appearing on the candidate nomination forms, and; (3) the fact that an incumbent member of the executive board has had access to and had possession of the unopened secret ballots mailed to and received by the VCHPOA, the Board of Directors is invalidating the current election. The VCHPOA will conduct a new election in its entirety, commencing with the mailing out new candidate nomination forms.

Thomas stated that he had talked to Chuck Newell of the Ombudsman's Las Vegas office about the issues at length and provided information regarding the issues to him by email. Newell indicated that there are red flags apparent. Flanagan stated that items 1 & 2 of the motion pertain to the candidacy of one member. He has been in contact with a person at the Ombudsman's Office and at the Secretary of State's office. He thinks there are extenuating circumstances and says that those two representatives agreed with him. He says the board can waive the rules and statutes if there are such circumstances and proceed with the election. The board did not agree. He informed the office of this and was told that the association is "stuck with the law". He does not feel he has possession of the unopened ballots since the ballots are sealed within two envelopes.

Jason VanHavel expressed extreme concern with waiving any part of NRS.

It was noted that Flanagan had named an alleged violator during his comments, which should have been kept private.

Jay Carmona stated that the board needs to start over since the law had been broken.

Harry Stanley asked how will board function until new election is over. Thomas stated that he and Watson could stay on board until the election is complete. Two non-biased members would be appointed to serve temporarily, and only until the election is complete.

Nancy Russell wanted to know what all the fuss is about. She can't see wasting money on a new election and says the board appoints whomever they choose anyway.

Donna Fong inquired as to what happens to old ballots. Thomas explained that the ballots will be set aside, but kept, and that the new ballots and nomination forms will be different. The old nomination did not have a required disclosure as a result of a statute change.

Jed Margolin requested that the candidate statement have substance and state what their plans for association are. The board cannot dictate to candidates what to say on form.

Tommy Sargent said that it is still unclear what the violations are. If statute was violated, the election needs to be redone.

VanHavel expressed support for the motion.

The motion passed with Flanagan opposed.

Thomas has someone in mind to pick up mail in the future who is not a member of the association. Ray McPartlin suggested that the association rent a separate mailbox for ballots so there would be no confusion or comingling with the old ballots or general mail.

Thomas stated that the association cannot postpone the annual meeting as it is required by law to be held at least once each year. Waiting until after the new election would not meet that requirement.

A motion by McPartlin, seconded by McGuffey was read as follows:

The August 3, 2013 Annual Meeting of the unit's owners shall be held as scheduled to ensure compliance with NRS 116.3108, paragraph 1. Pursuant to NRS 116.3108, paragraph 2, the VCHPOA President or a majority of the executive board then in place shall call another meeting of the unit's owners to be held within two weeks after the new election's closing date for the receipt of secret ballots, with the sole purpose of and single item on the agenda of such meeting to be the counting of the ballots.

The motion was approved unanimously. The announcement for the special meeting will go out with the ballots, as well as an explanation of the reason for the new election.

A motion by McGuffey, seconded by McPartlin was read as follows:

Patrick Flanagan, a current executive board member, shall turn over VCHPOA property including the key to the VCHPOA post office box, any VCHPOA mail received and in his possession (including but not limited to any unopened secret ballots received), and the key to the display cabinet located adjacent to the VCH mail box enclosures to VCHPOA member Mary Tallent-Stewart no later than 12:00 pm, Saturday July 13, 2013.

Flanagan said he has received advice from ombudsman's office to hold ballots until Monday when they can meet with Chris Cook in Carson City office. He is worried about the effect on his reputation. He wants two people to receive ballots and make a list of those received. He wants it clear that he has approached his fiduciary procedure completely and honestly.

Ray McPartlin pointed out that the point is moot. The ballots are null and void. Carmona said it is plain and simple; turn them over.

McGuffey said that this is not a reflection or attack of Flanagan's reputation or character. This is simply the Board following NRS Statutes. Cecilia Lak will go with Tallent-Stewart to get all the items.

The motion was approved with Flanagan opposed.

#### **IV. Review of Outstanding VCHPOA Legal Claims Against Other Parties**

Thomas stated that apparently Flanagan has filed a complaint with a state agency against two candidates relating to the election and signed it as Treasurer of the VCHPOA.

A motion by Watson, seconded by McPartlin moves that the record reflect that:

The VCHPOA currently has no legal claims against any parties other than claims relating to delinquent payment of dues and assessments by certain members of the VCHPOA. More specifically, the VCHPOA currently has or makes no claim relating to any costs associated with conducting any Board of Directors election against parties allegedly named in any complaint filed with any Nevada regulatory agency by Patrick Flanagan. The VCHPOA categorically denies that it is a party, complainant or plaintiff in any such alleged complaint made by Patrick Flanagan.

Watson explained that although the motions were prepared before the meeting, he fully agrees with and supports the motions as read.

VanHavel is thankful that the board is taking this action.

The motion is approved with Flanagan abstaining.

A motion by McGuffey, seconded by Watson was read as follows:

Within the last 48 hours executive board members Thomas, McPartlin, McGuffey and Watson have received information alleging that executive board member Patrick Flanagan has filed an election-related complaint with at least one Nevada regulatory agency against two candidates for the Board of Directors and alleging that Patrick Flanagan signed such complaint "Patrick J. Flanagan, Treasurer, VCHPOA". The executive board of the VCHPOA states that Patrick Flanagan, in signing such alleged

complaint "Patrick J. Flanagan, Treasurer, VCHPOA", has repeated an action for which he was formally censured by the executive board on November 19, 2012.

Flanagan reiterates that he believes the former censure was done with no authorization and not valid. He says ombudsman advised him to file the complaint, but that it has not yet been filed. The procedures are complex. He was advised to arrive at compromise and resolve differences. He has received replies from both parties and will not formally file the complaint. Carmona would like the record to show that he has not contacted Flanagan about this issue since receiving a copy of the proposed complaint.

Lumos stated that no one can act on behalf of the board as a board member unless the board authorizes such action. Flanagan can act as a private citizen, but not as a board member.

Sargent stated that all issues should be brought to the board at a regular meeting for discussion before going to the ombudsman.

Thomas stated that he had only found out about the complaint the day before the emergency meeting when he received an email from McPartlin asking if he knew about it. He did not. This is an unforeseen problem that had to be dealt with immediately, and thus a reason for the special meeting.

John Boyd is unhappy that he has to spend time over an angry man's apparent vendetta.

Carmona is thankful that the board is taking up these issues. He said that he has the right to speak his opinions and does not feel responsible for the cost of a new election.

The motion passed with Flanagan opposed.

#### **V. Comments by Association Members**

Association members offered no comments. McGuffey reminded those present that the first classic car show was to be held at Miners' Park on July 13.

#### **VI. Adjourn**

There being no further business, the meeting was adjourned at 8:32 pm.

Respectfully Submitted,

Rita Lumos, Recording Secretary