



Minutes of the 2026 Annual Membership Meeting
held on February 28, 2026, from 9:30 a.m. to 1:00 p.m.
at the American Legion Post 24, Tombstone, and via Google Meet

1. **Breakfast buffet** opened at 9:30 a.m.
2. **Call to Order.** HLRPOA President N. Ceccarelli opened the business meeting at 10:07 a.m. and the Secretary started the Google Meet audio recording. Audio quality is extremely poor. The attendee sign-in sheet is attached. The opening of voting was announced. Joel Levin of Gleeson/Elfrida served as Vote Monitor.
3. **Guests.** Eric Eckberg, Elizabeth Hollingsworth, and a third guest from Ivanhoe Electric/ Diamondback Mining attended to show core samples and answer questions about their exploration activities in the Gleeson area. The following are the notes taken by Gemini in Google Meet, with no review by the speakers and with minor corrections by the Secretary.
 - a. **Introduction and Presentation Overview:** E. Eckberg discussed their exploration activities, emphasizing adherence to laws and regulations, including protection against water supply contamination. They displayed core samples and tools used on the site, inviting attendees to examine them and ask questions.
 - b. **Exploration Timeline and Process:** The current plan involves three to five drilling operations at the moment, with a potential break during the summer and a return in the fall. The drilling process is iterative, where they drill a hole, analyze the rock structure to determine what it is telling them, and then decide where to drill next. The total number of drill holes is not predetermined as exploration is an ongoing decision-making process.
 - c. **Geological Research and Exploration Methods:** The exploration focuses on identifying minerals that carry magnetic properties, and they conduct tests to determine the rock's physical and chemical properties, such as its hardness, softness, and reaction to acid. Geophysical properties are logged into databases, which, along with historical literature and data from 1960s and 1970s exploration programs, help generate a geological model to guide current research and locate potential fault lines. This process allows them to develop theories regarding where a potential target might be located on the current property.
 - d. **Business Strategy and Future Operations:** If exploration is successful, the company has several options, including creating a mine line themselves, selling the project, or partnering with a larger company. Diamondback Mining is a subsidiary in-house, and they previously utilized two rigs but now use a single rig because the first served its purpose, and they decided that the results were sufficient to continue drilling without it. They decided not to replace the first rig because drilling is expensive, and they opted to save the money for future operations.

- e. **Drilling Depth and Project Schedule:** They are currently constrained by economics regarding how deep they can drill, as drilling beyond 6,000 to 6,500 feet would not be financially recoverable. The company does not have solid plans for the next drilling phase, as too many uncertainties exist, including required bylaws and timeframes. They acknowledged that they cut roads to get their drill equipment in but work with landowners regarding landscape restoration, which may include planting specific trees.
 - f. **Community and Environmental Concerns:** They confirmed they are exploring for minerals and not actively mining, and they abide by all regulations to avoid blocking water or using prohibited additives in the drilling process. The company purchased some land parcels in the ranch area near the drilling site to support their exploration plans. Regarding biological and ecological impacts, they have not yet conducted surveys, which are not required for early-stage exploration projects by the state of Arizona.
 - g. **Environmental and Cultural Surveys:** Biological and ecological surveys would become more important if the project expands, and they would then be required to comply with the Endangered Species Act and other state laws. They confirmed that as a company, they take environmental and cultural surveys seriously, noting that their work in Utah's Tinsic mine district involves extensive cultural surveys with the Utah cultural sites stewardship program. Current exploration is at an early stage, which minimizes the overall footprint, but they will not skip any required steps, including cultural, plant, and biological surveys when necessary.
4. **Close of Voting** was announced at 11:00. Audio was muted for a coffee break and ballot counting. Ballot counting was not completed by 11:30, so the 2025 financial report was given.
5. **Financial Report for Fiscal Year 2025:** Treasurer R. Kling summarized the attached report and responded to questions.
- a. The association began 2025 with approximately \$55,450 and concluded the year with about \$72,000. The largest expense every year is roads, but we underspent the budget this year as we had only moderate to light damage and used volunteer labor.
 - b. The association realized substantial savings on roads/common area by using volunteer work; and other savings by having no extra legal expenses beyond the standard retainer; and by self-administering the board elections. Insurance costs increased.
 - c. A member expressed concern about continued overbudgeting.
 - d. The initial draft 2027 budget will be formed at the finance committee meeting in June, and members will be encouraged to send input or attend that meeting.

6. Election Results. Election volunteers tallied the paper ballots submitted by mail and in person, and added the total to the electronic vote total that J. Levin accessed from Election Buddy. C. Peachey announced the results.

- a. 66 ballots were cast (49 electronic, 17 paper).
- b. Vote results:
 - i. David Vlastic 61
 - ii. Tim Bontrager 60
- c. It was an uncontested election and both candidates were elected to the board.

7. Open Discussion

- a. **Outgoing Board President N. Ceccarelli** offered remarks focusing on thanking people and looking forward to civility and cordiality. She discussed the definition of a community, emphasizing that it is a group of people with different interests and backgrounds who share a sense of belonging and fellowship when facing adversity. The goal of the association and the board needs to be determining what is best for the community as a whole and helping individuals within the community succeed. Looking back at the last three and a half years, we've had highs and lows.
- b. **N. Ceccarelli reported on a meeting yesterday with association attorney Jason Smith** regarding the legal opinion on overtures made by Diamondback Mining. The attorney's position, based on Arizona case law, is that signing a Surface Use Agreement is not a violation of the association's CCRs. The association cannot prevent legal access to certain mineral rights. While the CCRs apply to the property owner, they can perhaps be used as leverage to impose conditions on access. The attorney's legal opinion will be available in writing and will be shared with the membership, but any future work or consultation with the attorney on this topic will be billable and not covered by the association's \$600 a year retainer. The decision on how to proceed with the attorney will be for the next board to negotiate.
- c. **In response to a question, N. Ceccarelli addressed the nuanced legal question** regarding how a surface use agreement can be acceptable when the community's CCRs do not allow mining. Signing a surface use agreement allows property owners to be compensated for legal access to mineral interests below the surface, which is distinct from transferring ownership of the mining activity to the property owner, which would violate the CCRs. Property owners might use the CCRs as leverage when negotiating conditions within their surface use agreements.
- d. **W. Barfield reported that the Common Area Committee** will meet on Thursday, March 12th, at 8:00 AM at the windmill to move rocks for the water dam they built on Old Adobe. The committee is preparing to solicit bids for brush removal from the side of the roads. The committee has three road projects planned but no specific dates, as they are waiting to arrange acquisition of materials, including on Last Trail, Reata Pass, and Old Adobe.

- e. **The coming year is expected to be challenging** due to the issue of mining, which is likely to be a source of community division and uproar. The board may need to move funds into the legal budget to address the situation.
 - f. **Eileen A. stated that given the lawyer's interpretation** of case law regarding mining and its implications, some property owners intend to form a committee to work on a surface use agreement. This group believes it is in their best interest to draft an agreement, obtain legal review, and then counter the current surface use agreement offered by the mining company. This endeavor aims to protect water, land values, and the peace and quiet of the area.
 - g. **In response to a question about the POA's position on cutting brush** along the side of the road, W. Barfield noted that 15 years ago, the board asked property owners to clean up brush along their road frontage. Clearing overhanging brush avoids damage to vehicles and allows the road grader sufficient access to the margin of the road. While many vacant lots make it difficult for this to be a comprehensive subdivision solution, several property owners and volunteers have been maintaining the brush.
 - h. **W. Barfield provided an update on the windmill water tank.** Several months ago, a new 1,200-gallon poly tank replaced the old leaking water storage tank at the windmill. It is helpful if members who draw water ensure the valve is closed afterward and turn the windmill on to refill the tank. For anyone who isn't sure how to do that, someone can meet you there and show you.
- 8. Adjourned** at 12:18 p.m. The meeting was kept open until no further business discussion took place. Adjourned without opposition.

Submitted by C. Peachey, HLRPOA Secretary

Approved with corrections March 18, 2026



HIGH LONESOME RANCH ESTATES PROPERTY OWNERS ASSOCIATION

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HLRPOA Annual Membership Meeting and Election

February 28, 2026

American Legion Post 24, 225 E Allen Street, Tombstone, AZ

AGENDA

In-Person Voting is open from 10:00 to 11:00 a.m.

- 9:30 to 10:00 a.m. Welcome Breakfast
- 10:00 a.m. Membership Meeting opens, roll call.
In-person voting opens. Voting closes at 11:00 a.m.
- 10:10 a.m. Eric Eckberg and Elizabeth Hollingsworth of Ivanhoe Electric will be present to answer questions and interact with owners with respect to the Diamondback Mining exploration activities in the Gleeson area.
- 11:00 a.m. Announcement of Close of Voting
- 11:00 to 11:30 a.m. Coffee Break and Ballot Counting
- 11:30 a.m. Election Results announced
- 11:35 a.m. Financial Report for Fiscal Year 2025
- 11:45 a.m. Member Town Hall open discussion, Q&A
- 1:00 p.m. Membership Meeting adjourns



High Lonesome Ranch Estates Property Owners Association

2026 ANNUAL MEETING SIGN-IN SHEET			
Location	American Legion, 225 E Allen St, Tombstone, AZ	Date	February 28, 2026

Name—Please Print—One Name Per Block	Name—Please Print—One Name Per Block
MAE & KAREN TRIBBY	<p>Phone attendees added by Secretary C. Peachey:</p> <p>Amanda Miller</p> <p>Darin Huffman</p> <p>Also present in person was Jeff Knox, who did not sign in, and ³ guests from Ivanhoe Electric, and vote Monitor Joel Levin.</p> <p style="text-align: right; font-style: italic;">Claire Peachey</p>
Doug + Louise NEVAK	
Randy Kling	
Claire Peachey	
Tim Bontrager	
RW BARFIELD	
Nance Ceccarelli	
Becky A	
Becky A	
Tim + Penny YJ	

High Lonesome Ranch Estates Property Owners Association CY 2025 Annual Financial Report (Interim)

Executive Summary: This is an interim report pending an annual review by a disinterested third party. Our internal reviews found that our records are accurate, and that we met our financial obligations and goals. In 2025, we introduced online payments and implemented a flex fund to help us toward setting and keeping the Association on a solid financial footing.

Assets and Liabilities:

Assets

CashBank	
Vantage West Checking	\$50,811.60
Vantage West Reserves	\$21,116.12
Vantage West Flex Fund	\$0.00
Undeposited Funds	\$0.00
CashBank Total:	\$71,927.72
Other Assets	
Accounts Receivable	\$6,331.49
Other Assets Total:	\$6,331.49
Assets Total:	\$78,259.21

Liabilities

Current Liabilities	
Customer Credits	\$262.00
Accounts Payable	\$0.00
Current Liabilities Total:	\$262.00
Liabilities Total:	\$262.00

Income Statement:

Earnings

Assessments	
2025 Assessment	\$34,362.86
2026 Assessment	\$15,501.42
2027 Assessment	\$262.00
Assessments Total:	\$50,126.28
Bank	
Bank Interest	\$40.75
Bank Total:	\$40.75
Earnings Total:	\$50,167.03

Fees

Fees and Interest	
Postage Fees	\$21.18
Disclosure Fees	\$150.00
Late Fees	\$0.00
Debt Interest	\$19.84
Fees and Interest Total:	\$191.02
Fees Total:	\$191.02

Total Income: \$50,358.05

Accounts Receivable Aging:

	<u>1 Year</u>	<u>180 Days</u>	<u>90 Days</u>	<u>60 Days</u>	<u>30 Days</u>	<u><30 Days</u>	<u>Total Overdue</u>
2000-2023 Debts	\$573.81	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$573.81
2024 Assessment	\$476.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$476.00
2025 Assessment	\$0.00	\$786.00	\$0.00	\$0.00	\$0.00	\$0.00	\$786.00
Debt Interest	\$202.04	\$55.09	\$57.27	\$18.65	\$19.31	\$18.65	\$371.01
Disclosure Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Late Fee	\$15.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15.00
Postage Fees	\$50.00	\$54.01	\$0.00	\$0.00	\$0.00	\$0.00	\$104.01
Recording Fees	\$0.00	\$60.00	\$0.00	\$0.00	\$0.00	\$0.00	\$60.00
TOTALS:	\$1,316.85	\$955.10	\$57.27	\$18.65	\$19.31	\$18.65	\$2,385.83

Accounts Payable: None.

General Ledger: Available upon request.

Budget and Expenditures:

	\$ Budget	Spent		Unspent	
		\$ Amount	% Pct	\$ Amount	% Pct
Common Areas					
Road Grading	\$25,500.00	\$16,970.00	67%	\$8,530.00	33%
Road Repair	\$6,500.00	\$1,364.20	21%	\$5,135.80	79%
Windmill	\$3,300.00	\$2,053.40	62%	\$1,246.60	38%
Maintenance	\$300.00	\$0.00	0%	\$300.00	100%
Common Areas Total:	\$35,600.00	\$20,387.60	57%	\$15,212.40	43%
Services					
Insurance	\$2,200.00	\$1,887.00	86%	\$313.00	14%
Legal	\$2,000.00	\$600.00	30%	\$1,400.00	70%
Services Total:	\$4,200.00	\$2,487.00	59%	\$1,713.00	41%
Administrative					
Annual Meeting and Election	\$2,500.00	\$596.62	24%	\$1,903.38	76%
Website	\$376.16	\$190.75	51%	\$185.41	49%
Mailings	\$750.00	\$542.38	72%	\$207.62	28%
Google Business Suite	\$200.00	\$195.97	98%	\$4.03	2%
Financial Review	\$125.00	\$125.00	100%	\$0.00	0%
Post Office Box	\$88.00	\$88.00	100%	\$0.00	0%
County Recorder Fees	\$270.00	\$90.00	33%	\$180.00	67%
Office Supplies	\$50.00	\$0.00	0%	\$50.00	100%
Accounting Systems	\$80.00	\$0.00	0%	\$80.00	100%
Administrative Total:	\$4,439.16	\$1,828.72	41%	\$2,610.44	59%
Taxes					
AZ Income Tax	\$50.00	\$50.00	100%	\$0.00	0%
Cochise County Property Taxes	\$35.00	\$20.52	59%	\$14.48	41%
Arizona Corporation Commission Fee	\$10.00	\$10.00	100%	\$0.00	0%
Taxes Total:	\$95.00	\$80.52	85%	\$14.48	15%
2025 Totals:	\$44,334.16	\$24,783.84	56%	\$19,550.32	44%

Checking Account Status:

Start of 2025	\$25,544.68
Deposits	
2025 Assessment	\$34,362.86
2026 Assessment	\$15,501.42
2027 Assessment	\$262.00
Fees	\$191.02
Interest	\$9.09
Withdrawals	
Common Areas	\$20,387.60
Services	\$2,487.00
Administrative	\$1,828.72
Taxes	\$80.52
End of 2025	\$50,856.89
<i>Does not include uncleared checks</i>	

Reserve Fund Status:

Start of 2025	\$21,084.46
Changes	\$31.66
Interest	\$31.66
Increases	\$0.00
Decreases	\$0.00
End of 2025	\$21,116.12

Officer's Statement: The information in this report has been vetted through quarterly reviews by the Finance Committee and an internal annual review conducted by the Finance Committee and volunteer Association members.