



**DRAFT Minutes of the Board Meeting
held on Wednesday, July 15, 2026
at 6:30 p.m. via Google Meet**

1. **Call to Order.** President W. Barfield called the meeting to order at 6:32 p.m.
2. **Roll Call.** Board members present: W. Barfield, R. Kling, C. Peachey, D. Vlastic, S. Crosby. Absent: N. Tribby. Audio was recorded with Google Meet.
3. **Approval of minutes of the June 17 board meeting.** No changes were requested, the minutes were adopted and approved as written.
4. **Officer Reports**
 - a. **President's report** (W. Barfield)
 - i. The association's legal counsel answered the question regarding HLR CCR 10.16. He stated that when the federal government owns the mineral rights on an HLR property, it is not a violation of the CCRs to allow the mining company to explore and mine. If an owner owns the mineral rights on their property, it is a violation. The president estimates there are 96 lots with the mineral rights owned by the government and 40 lots with privately owned mineral rights. Some time ago, Diamondback provided a map of mineral rights on the ranch.
 - b. **Vice President's report** (N. Tribby). None.
 - c. **Treasurer's report** (R. Kling)
 - i. See attached financial report for June.
 - ii. To have access to the reporting and invoicing capabilities of Wave, we have switched to the paid pro version.
 - iii. Review of the initial draft of the 2027 budget is welcome, some comments have been received.
 - iv. Two-person control on use of the association's credit card is already in the approved procedures, so no change is necessary.
 - d. **Secretary's report** (C. Peachey)
 - i. We received a records request that we're processing.
 - ii. As usual, all correspondence received has been forwarded to the board for review.

5. Committee Reports

- a. **Common Area Committee** (N. Tribby). No report.
- b. **Architectural Review Committee** (W. Barfield). We have no pending requests.
- c. **Finance Committee** (R. Kling). The committee is reviewing all procedures to streamline the treasurer workload.
- d. **Election Committee** (C. Peachey). Nothing to report, no activity.

6. General member comments

7. Active agenda

- a. **Decision regarding collection of delinquent accounts following consideration in executive session.** W. Barfield **moved that the Association continue collection action on all delinquent accounts.** D. Vlasic seconded. The **motion carried** on a roll call vote with no objections.
- b. **Work session to revise and decide on the text of a CCR Enforcement Policy.** The board reviewed details of the draft document, considered input from members, and will revise the draft accordingly.
- c. **Business items for next meeting.** Possibly update the treasurer procedures and introduce ideas for bylaws changes.

8. Comments from board members.

9. Next board meeting: Wednesday, August 19, at 6 pm.

10. Adjourned at 8:00 p.m. without objection.

Submitted by C. Peachey, HLRPOA Secretary



High Lonesome Ranch Estates Property Owners Association
P.O. Box 215, Elfrida, Arizona 85610

Board Meeting Agenda – Open Session
Wednesday, July 15, 2026
6:30 p.m. via Google Meet

1. Call to order
2. Roll call
3. Approval of minutes of the June 17 board meeting
4. Officer Reports
 - a. President's report
 - b. Vice President's report
 - c. Treasurer's report
 - d. Secretary's report
5. Committee Reports
 - a. Common Area Committee
 - b. Architectural Review Committee
 - c. Finance Committee
 - d. Election Committee
6. General member comments
 - a. Limited to 3 minutes
 - b. Must directly relate to action items of the Board published, considered, or on today's agenda
7. Active Agenda
 - a. Decision regarding collection of delinquent accounts following consideration in executive session
 - b. Work session to revise and decide on the text of a CCR Enforcement Policy
 - c. Call for business items for next meeting
8. Comments from Directors
9. Next scheduled board meeting date – Wednesday, August 19, 2026
10. Adjourn

HLR POA Treasurer's Report for June 2025

Bank Money		<u>Checking on 1 Jul</u>	<u>Reserves on 1 Jul</u>	<u>Flex Fund on 1 Jul</u>	<u>Total on 1 Jul</u>
		\$50,851.23	\$21,131.82	\$16,526.37	\$88,509.42

Money In		<u>2026 and Unpaid Invoices</u>	<u>Income in June</u>	<u>Income thru June</u>	<u>Unpaid Balance</u>
Total		\$23,503.18	\$5.48	\$19,574.95	\$3,961.10
Assessment		\$22,154.01	\$0.00	\$19,060.20	\$3,093.81
Disclosure Fees		\$375.00		\$375.00	\$0.00
Recording Fees		\$60.00		\$0.00	\$60.00
Postage Fees		\$190.09		\$51.10	\$138.99
Late Fee		\$81.00		\$24.00	\$57.00
Debt Interest		\$643.08		\$31.78	\$611.30
Bank Interest		\$0.00	\$5.48	\$32.87	\$0.00

Money Out		<u>Budget</u>	<u>Spent in June</u>	<u>Spent thru June</u>	<u>Unspent</u>
Total		\$42,990.00	\$159.00	\$2,850.28	\$40,139.72

Taxes	\$180.00		\$99.00	\$81.00
AZ Income Tax	\$50.00		\$50.00	\$0.00
Cochise County Property Taxes	\$30.00			\$30.00
Arizona Corporation Commission Fee	\$100.00		\$49.00	\$51.00

Services	\$5,800.00	\$140.00	\$140.00	\$5,660.00
Insurance	\$2,400.00			\$2,400.00
Legal	\$3,400.00	\$140.00	\$140.00	\$3,260.00

Common Areas	\$32,800.00		\$1,686.74	\$31,113.26
Road Maintenance	\$32,000.00		\$1,374.84	\$30,625.16
Windmill	\$350.00		\$311.90	\$38.10
Common Area Other	\$450.00			\$450.00

Administrative	\$2,995.00		\$770.54	\$2,224.46
Annual Meeting and Election	\$1,500.00		\$606.45	\$893.55
Website	\$410.00			\$410.00
Mailings	\$515.00		\$164.09	\$350.91
Google Business Suite	\$240.00			\$240.00
Post Office Box	\$100.00			\$100.00
County Recorder Fees	\$180.00			\$180.00
Office Supplies	\$50.00			\$50.00

Finance	\$1,215.00	\$19.00	\$154.00	\$1,061.00
Financial Review	\$150.00		\$135.00	\$15.00
Accounting Systems	\$200.00	\$19.00	\$19.00	\$181.00
Delinquent Account Burden	\$865.00			\$865.00

Payments Issued	<u>Check Number</u>	<u>Check Date</u>	<u>Check Amount</u>
Legal	1189	08-Jun-26	\$140.00
Financial Systems	Cred Cd	30-Jun-26	\$19.00

Notes

Mining Interests Expense

\$108.00 12/16/2025 LetterStream invoice #13009847: Initial info to membership.

\$130.50 12/28/2025 LetterStream invoice #13054248: Info update to membership.

\$140.00 6/8/2026 S+W invoice #18831: Receipt / Analysis re mining access issues.

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High Lonesome Ranch Estates Property Owners Association ENFORCEMENT POLICY



xx May 2026

1. Expectations to Abide: The Board of Directors of the High Lonesome Ranch Estates Property Owners' Association and Property Owners within the Association have an expectation that all Property Owners will abide by the Declaration of Conditions, Covenants, Restrictions, and Easements (the Declaration), the Association's Rules, and the Association's Bylaws. To foster a harmonious community environment, the Association's Board of Directors is not, as a rule, actively inspecting for violations of the Declaration, Association Rules or Bylaws. Property Owners aware of a violation of the governing documents should report the violation using the complaint form found at Tab A; anonymous complaints will not be accepted. The Association's Board of Directors will act on reported violations in accordance with this Enforcement Policy.

2. Initial Opportunity to Cure: *(note to reviewers: this section is an entirely new addition for your consideration. The intent is to provide an opportunity to cure the violation without any penalties or other formal action by the board. If the attempt at informally handling the violation fails the board proceeds to formal notice and enforcement actions as described in the sections below this one.)* When a violation of the Declaration, an Association Rule, or the Association's Bylaws is noted by or reported to the Association's Board of Directors or its authorized agent using the complaint form at Tab A, informal notice will be sent to the Property Owner by email or by US Postal Service describing the violation and giving a reasonable timetable for corrective action which will be at least ten business days from the date of the informal notice. If the violation is not cured within the allotted time or if the Property Owner requests formal notice the Association's Board of Directors will proceed with formal enforcement as described below. *(question for reviewers: does the board conduct an inspection (Article 10.21) to verify the complaint before taking even this first step? At what point(s) does the board conduct physical inspection?)*

3. Formal Notice of Violation: (ARS 33-1803) When informal efforts fail to cure a violation of the Declaration, an Association Rule, or the Association's Bylaws that has been reported using the complaint form at Tab A, formal notice will be sent to the Property Owner's address of record by certified mail. Copy of the notice will be retained in the Association's records and the Secretary will include in the minutes of the next meeting of the Association's Board of Directors a statement documenting the date and manner of the notice's delivery to the Property Owner. The notice of violation sent to the Property Owner will include:

- A) The provision of the governing documents that has allegedly been violated.
- B) The date of the violation or the date the violation was observed.
- C) The first and last name of the person or persons who observed the violation.
- D) Actions required to cure the violation by a specified date.
- E) Actions the Association may take if the violation is not cured. *(or substitute text: Penalties and fines that may be imposed if the violation is not cured. See ARS 33-1803.B.)*
- F) A copy of this policy to insure the Property Owner is aware of the process to follow to

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contest the notice.

- G) Notice of the Property Owner's option to petition for an administrative hearing in the Arizona Department of Real Estate pursuant to ARS 32-2199.01.

4. Contesting the Notice of Violation: (ARS 33-1803) A Property Owner who wishes to contest the notice of violation or request an opportunity to be heard shall provide the Association a written response sent by certified mail to the Association's office at the address shown on the notice of violation within twenty-one calendar days after the date of the notice. Within ten business days of receipt of the Property Owner's response, the Association will send by certified mail a written response that includes any requested information and sets a date for the Property Owner's opportunity to be heard in a meeting with the Association's Board of Directors.

5. Deliberation by the Board of Directors: Unless the Property Owner has arranged an earlier date for an opportunity to be heard, no sooner than twenty-one calendar days following the date of initial notice to the Property Owner the Association's Board of Directors will meet to determine if the violation has been or is being cured. In those cases where no action is being taken to cure the violation the Association's Board of Directors will deliberate on the imposition of monetary penalties or referral to the Association's attorney for appropriate legal action. The Property Owner will be given notice at least 48 hours in advance of the meeting and provided an opportunity to be heard before the Association's Board of Directors begins deliberation.

(question for reviewers: does the board conduct an inspection (Article 10.21) prior to this meeting to determine if the violation has been cured without the owner having notified the board of that fact? Is 48 hours sufficient advance notice of the meeting?)

6. Notice of Decision: The Association's Board of Directors will within ten business days of deliberation send notice to the Property Owner by certified mail documenting the Association's decision regarding the disposition of the initial complaint, its decision regarding any request for an extension of the opportunity to cure without penalty, the imposition of any monetary penalties, the date by which any monetary penalties must be paid, the actions the Association may take if monetary penalties are not paid, and second notice of the Property Owner's option to petition for an administrative hearing in the Arizona Department of Real Estate pursuant to ARS 32-2199.01.

7. Cured Violations: Once the violation has been cured accrual of monetary penalties and any pending legal action ceases but any unpaid accrued amounts continue as a debt against the Property Owner.

8. Uncured Violations: Monetary penalties continue to accrue until such time as the Property Owner notifies the Association in writing that the violation has been cured and arranges an inspection by the Association's Board of Directors or its authorized agent. The Association may initiate legal action to obtain a judgment enforcing compliance with the governing documents if violations are not cured within a reasonable time.

Minor question: Should paragraphs 7 and 8 be sub paragraphs of paragraph 6?

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9. Monetary Penalties: (ARS 33-1803) The monetary penalty for a violation will be one quarter of the Association's annual assessment per lot per violation per thirty-day period (or any part of) that the violation remains uncured. The Association's Board of Directors will set the due date for the initial payment of any monetary penalties which will be no fewer than thirty days after the date of notice of the Association's decision to impose monetary penalties. *(note to reviewers: this text does not allow for a gradual increase in the penalty over time. Gradual increase was in the previous version of the policy ... doubling after the first six months, again after one year. Adding such a provision should include a cap that sets the max penalty, perhaps in dollar amount rather than percentage of the assessment.)*

10. Collection of Unpaid Monetary Penalties: (ARS 33-1817.B) The Association may seek judgment through a civil court of appropriate jurisdiction for a judgment lien against the property for collection of all unpaid monetary penalties as well as reimbursement of reasonable attorney fees and other costs associated with collecting the Property Owner's debt. This lien is effective on conveyance of any interest in the subject property.

11. Records and Record Retention: Records of the Association's attempts to resolve violations of the governing documents will be maintained per the Association's record retention policy.

- A) Directors will summarize in an email any conversation with the Property Owner regarding alleged violations of the governing documents. The email will be sent to the Property Owner for concurrence as well as to the Association for record retention.
- B) The Association will retain copies of all written correspondence between the Association's Board of Directors or its authorized agent and the Property Owner.
- C) Reports of inspections by the Association's Board of Directors or its authorized agent will include date-stamped photographs of the alleged violations.

Tab A: Complaint Form