



**DRAFT Minutes of the Board Meeting
held on Wednesday, August 19, 2026
at 6:30 p.m. via Google Meet**

1. **Call to Order.** President W. Barfield called the meeting to order at 6:30 p.m.
2. **Roll Call.** Board members present: W. Barfield, R. Kling, C. Peachey, D. Vlasic, N. Tribby. Absent: S. Crosby. Audio was recorded with Google Meet.
3. **Approval of minutes of the July 15 executive session and the July 15 open session.** For each session, no changes to the minutes were requested and the minutes were adopted as written.
4. **Officer Reports**
 - a. **President's report** (W. Barfield)
 - i. At the next meeting, we would like to begin a review of the Bylaws to see if any changes are needed. We will send a message to property owners to ask for their review and input.
 - ii. After recent storms, members helped with some road fixes. Dustin's Grading is out here now doing a full grading. We are not Dustin's only client, so cannot always get him when we want him.
 - iii. Board members please indicate your availability to attend the meeting with the insurance agent.
 - iv. We received an ADRE petition alleging violation of state law in the conduct of the July meeting. We will respond to contest it and ask it to be dismissed. If it goes to a hearing, we will discuss engaging Jason Smith.
 - b. **Vice President's report** (N. Tribby).
 - i. If anyone knows of other contractors who can work on our roads, let him know.
 - c. **Treasurer's report** (R. Kling)
 - i. See attached financial report for July. (Date error of 2025 was corrected to 2026.)
 - ii. We will get an annual subscription to Wave Pro, saving over the monthly subscription.
 - iii. Treasurer's future reports will be those produced by Wave.
 - d. **Secretary's report** (C. Peachey)
 - i. We received an email from a journalist interested in speaking to people about mining activity in the area.

- ii. Received an invoice from the law firm assigned to the association by our insurance company after we notified the insurance company of a lawsuit threat. The charges were for basic review. \$237.
- iii. Received an invoice for renewal of our Turbify website annual plan. \$115.87.
- iv. Our insurance agent wants to set up a meeting for annual review of our insurance policies.

5. Committee Reports

- a. **Common Area Committee** (N. Tribby). We don't have a lot of options for getting people to work on the roads, especially on short notice. We can ask our insurance agent about our options for hiring contractors not licensed/bonded/insured.
- b. **Architectural Review Committee** (W. Barfield). We have no pending requests.
- c. **Finance Committee** (R. Kling). No meetings scheduled.
- d. **Election Committee** (C. Peachey). No meetings have occurred but it is time for the annual review of election procedures to see if any changes are necessary.

6. General member comments

7. Active agenda

- a. **Decision regarding a collections waiver request following consideration in executive session.** R. Kling moved that the treasurer respond to Smith Wamsley that in the absence of a rationale, the board declines to waive costs or fees. W. Barfield seconded. After opportunity for board member and community discussion, the **motion carried** 5-0 on a roll call vote.
- b. **Decision regarding foreclosure of delinquent accounts following consideration in executive session.** R. Kling moved that the treasurer respond to Smith Wamsley that we will delay any decision on foreclosure pending gathering of needed information. D. Vlasic seconded. Two accounts meet the threshold for foreclosure. We have asked for more information on the process. After opportunity for board member and community discussion, the **motion carried** 4-0-1. W. Barfield abstained from discussion and voting after declaring a financial interest in one of the properties.
- c. R. Kling moved to increase the 2026 Financial Systems budget line to \$200. N. Tribby seconded. The annual cost plus two months of trial use exceeded the budgeted amount. Annual cost is \$190 (vs \$19/month). After opportunity for board member and community discussion, the **motion carried** 5-0 on a roll call vote.

- d. **Work session to continue revising the draft CCR Enforcement Policy.** W. Barfield moved, R. Kling seconded, to move into committee to continue revision of the draft enforcement policy. The document was discussed and edited on screen.
- e. **Call for business items for next meeting.** Gather director and community input for beginning a review of the Bylaws. Present final draft of the 2027 budget in preparation for voting on it in October.

8. Comments from board members.

9. Next board meeting: Wednesday, September 16, at 6 pm.

10. Adjourned at 7:51 p.m. W. Barfield moved, R. Kling seconded, adjourned 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, August 19, 2026

6:30 p.m. via Google Meet

1. Call to order
2. Roll call
3. Approval of minutes of the July 15 board meetings (Executive and Open sessions)
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 a collections waiver request following consideration in executive session
 - b. Decision regarding foreclosure of delinquent accounts following consideration in executive session
 - c. Decision regarding amending the 2026 budget to increase the Financial Systems budget line from \$160 to \$200
 - d. Work session to continue revising the draft CCR Enforcement Policy
 - e. Call for business items for next meeting
8. Comments from Directors
9. Next scheduled board meeting date – Wednesday, September 16, 2026
10. Adjourn

HLR POA Treasurer's Report for July 2026

Bank Money		<u>Checking on 1 Aug</u>	<u>Reserves on 1 Aug</u>	<u>Flex Fund on 1 Aug</u>	<u>Total on 1 Aug</u>
		\$50,908.09	\$21,129.51	\$16,528.48	\$88,566.08

Money In		<u>2026 and Unpaid Invoices</u>	<u>Income in July</u>	<u>Income thru July</u>	<u>Unpaid Balance</u>
Total		\$25,115.99	\$80.66	\$19,655.61	\$5,498.91
Assessment		\$22,741.26	\$0.00	\$19,060.20	\$3,681.06
Disclosure Fees		\$450.00	\$75.00	\$450.00	\$0.00
Recording Fees		\$60.00		\$0.00	\$60.00
Postage Fees		\$196.69	\$0.00	\$51.10	\$145.59
Late Fee		\$66.00		\$24.00	\$42.00
Debt Interest		\$1,602.04	\$0.00	\$31.78	\$1,570.26
Bank Interest		\$0.00	\$5.66	\$38.53	\$0.00

Money Out		<u>Budget</u>	<u>Spent in July</u>	<u>Spent thru July</u>	<u>Unspent</u>
Total		\$42,990.00	\$224.20	\$3,074.48	\$39,915.52

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	\$5,660.00
Insurance	\$2,400.00			\$2,400.00
Legal	\$3,400.00		\$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	\$205.20	\$975.74	\$2,019.26
Annual Meeting and Election	\$1,500.00		\$606.45	\$893.55
Website	\$410.00			\$410.00
Mailings	\$515.00	\$115.20	\$279.29	\$235.71
Google Business Suite	\$240.00			\$240.00
Post Office Box	\$100.00	\$90.00	\$90.00	\$10.00
County Recorder Fees	\$180.00			\$180.00
Office Supplies	\$50.00			\$50.00

Finance	\$1,215.00	\$19.00	\$173.00	\$1,042.00
Financial Review	\$150.00		\$135.00	\$15.00
Accounting Systems	\$200.00	\$19.00	\$38.00	\$162.00
Delinquent Account Burden	\$865.00			\$865.00

Payments Issued	<u>Check Number</u>	<u>Check Date</u>	<u>Check Amount</u>
Mailings	1190	27-Jul-26	\$115.20
Post Office Box	Cred Cd	27-Jul-26	\$90.00
Financial Systems	Cred Cd	27-Jul-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.

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High Lonesome Ranch Estates Property Owners Association

ENFORCEMENT POLICY

Draft as of August 19, 2026, board meeting
New changes are in bold (except minor edits)

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 **(collectively referred to here as the governing documents)**. The Association's Board of Directors is not, as a rule, actively inspecting for violations of the **governing documents, but will act on reported violations in accordance with this Enforcement Policy**. Property Owners aware of a violation of the governing documents should report the violation using the Association's Complaint Form; anonymous complaints will not be accepted.

2. Initial Opportunity to Cure: When **allegation** of a violation of the governing documents is noted by or reported to the Association's Board of Directors or its authorized agent using the Complaint Form, informal notice will be sent to the Property Owner by email or by US Postal Service describing the **alleged violation and the action necessary to bring the property into compliance**. **This notice will give a reasonable timetable for corrective action, which will be at least ten business days from the date of the notice. This informal notice is the preferred method of addressing violations in the hope that a property owner will take corrective action and that no further action will be necessary.** 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. **An informal opportunity to cure does not eliminate applicable statutory rights.**

3. Formal Notice of Violation: (ARS 33-1803) When informal efforts fail to cure a violation of the **governing documents** that has been reported using the Complaint Form, formal notice will be sent to the Property Owner's address of record by certified mail. **The Board of Directors will first conduct or cause to be conducted an inspection of the property to confirm the reported violation.** The Secretary will include in the minutes of the next meeting of the Association's Board of Directors a

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statement documenting the **mailing of the notice** to the Property Owner. The notice 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) Penalties and fines that may be imposed if the violation is not cured. See ARS 33-1803.B.
- F) The process the Property Owner must follow to contest the notice (per ARS 33-1803.C.).
- 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. Property Owner Response to Notice:

A. Curing the Violation. If the Property Owner cures the violation and informs the Board of Directors in writing within the specified date, the Board of Directors will verify compliance within ten days and issue a letter stating the matter is closed.

B. Contesting the Notice of Violation: As specified in ARS 33-1803, a member who receives a written notice that the condition of the property owned by the member is in violation of the community documents may provide the association with a written response by sending the response by certified mail within twenty-one calendar days after the date of the notice. The response shall be sent to the address identified in the notice. Within ten business days after receipt of the certified mail containing the response from the member, 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

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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 **ten days** in advance of the meeting and provided an opportunity to be heard before the Association's Board of Directors begins deliberation.

6. Notice of Decision: Within ten days of deliberation, the Association's Board of Directors will send notice to the Property Owner by certified mail documenting the Association's decision regarding the disposition of the initial complaint, 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.

9. Monetary Penalties: ARS 33-1803 provides for the board of directors to impose reasonable monetary penalties on members for violations of the declaration, bylaws and rules of the association, after notice and an opportunity to be heard. [Monetary penalties still to be worked out] 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.)*

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10. Collection of Unpaid Monetary Penalties: (ARS 33-1807.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) **If applicable**, reports of inspections by the Association's Board of Directors or its authorized agent will include photographs of the alleged violations.

[Check throughout for property owner vs member or occupant]

Attachment A: Complaint Form

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