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

Minutes of the Board Meeting
held on Wednesday, September 16, 2026
at 6:00 p.m. via Google Meet

1. **Call to Order.** President W. Barfield called the meeting to order at 6:02 p.m.

2. **Roll Call.** Board members present: W. Barfield, R. Kling, C. Peachey, D. Vlasic, N. Tribby, S. Crosby. Audio was recorded with Google Meet.

3. **Approval of minutes of the August 19 executive session and the August 19 open session.** For each session, no changes to the minutes were requested and the minutes were approved as written.

4. **Officer Reports**

   a. **President's report** (W. Barfield)
      i. For the ADRE complaint reported at the last meeting, we have received notice that a hearing will be held. When we get to the active agenda, the president will move to amend the agenda and add a vote regarding retaining counsel for the hearing.
      ii. Regarding the enforcement policy, the association no longer has one, so that is why we are working on a new one. The mining company has purchased many properties in North Gleeson and also now on High Lonesome Ranch, so they will be members of the association and subject to the association's CCRs.

   b. **Vice President's report** (N. Tribby).
      i. Grading is completed and they did a good job.
      ii. Volunteers fixed a few spots in the roads after the last storm.

   c. **Treasurer's report** (R. Kling)
      i. See attached financial report for August. If anyone would like to see additional information included in the report, let the treasurer know.
      ii. The collections agent withdrew their recommendation for foreclosure on certain delinquent properties.

   d. **Secretary's report** (C. Peachey)
      i. Sent the board some information on 2026 updates to community association law that will go into effect soon. Can post them on our website.

5. Committee Reports

a. Common Area Committee (N. Tribby). We received the invoice for the grading. For an area reported to be damaged in the recent storm, we can place cones and see about fixing it.

b. Architectural Review Committee (W. Barfield). No pending requests.

c. Finance Committee (R. Kling). Next meeting scheduled for 9/20.

d. Election Committee (C. Peachey). Next meeting scheduled for 9/17 at 6 pm.

6. **General member comments**

7. Active agenda

a. 2027 Draft Budget. Two anticipated expenses in the 2027 draft budget, legal and mining-related expenses, have been removed from the proposed 2027 budget, reducing the projected 2027 annual assessment to roughly the same as our 2026 assessment amount. The two anticipated expenses are moved to the Flex Fund as contingency earmarks. Also the need for an additional $5000 earmark for general contingencies was recognized. The plan is to bring the final budget for a vote at the October board meeting.

b. W. Barfield **moved to amend today's agenda to introduce a motion to engage Jason Smith for the ADRE/Office of Administrative Hearings hearing.** D. Vlasic seconded. After opportunity for board member and community discussion, the **motion carried** 6-0 on a roll call vote.

c. W. Barfield **moved to engage attorney Jason Smith to represent the association at the ADRE/Office of Administrative Hearings hearing concerning the complaint that the July 15 executive session was in violation of ARS 33-1804.** S. Crosby seconded. Today the association received notice that a hearing is scheduled on this matter. After opportunity for board member and community discussion, the **motion carried** 5-1 on a roll call vote (Yes = WB, CP, DV, NT, SC; No = RK).

d. Review of proposed 2027 assessment due date. This year the date was January 15. One member has proposed an earlier date before the holidays. Members can send comments to the treasurer. We will vote on the date next month.

e. Continued revision of draft Enforcement Policy. Only paragraph 9 was left to work out. After making edits on screen, the draft was ready to send to the membership for the required 30-day review. Then it can be sent for legal review.

f. Discussion of Bylaws review. This will be moved to next month after soliciting input from the membership.

g. Call for business items for next meeting.

i. Vote on the 2027 budget, assessment amount, and assessment due date.
ii. Review and possibly vote on fees.
iii. Proposal to change the treasurer procedures to have the association cover transactions fees for paying assessments online.
iv. Work session to discuss any amendments to the bylaws.
v. Review comments and next steps after 30-day review of the enforcement policy.

8. **Comments from board members.** The board opened the floor to answer questions and provide information regarding mining company activities on the ranch and the limitations provided by the CCRs. Diamondback is purchasing lots and will be association members. If the federal government owns the mineral rights on a lot, it is likely we cannot prevent access, though we might be able to impose conditions. Property owners can enter into a surface use agreement or make the company go through the BLM/NEPA process (Bureau of Land management/National Environmental Policy Act). The end result will probably be the same. **S. Crosby encouraged everyone to go to the website gleesontogether.org to submit questions and learn more so that everyone knows their rights and options. This website is not associated with HLRPOA, it is a private effort to provide information**.

9. **Next board meeting:** Wednesday, October 21, at 6 pm.

10. **Adjourned** at 7:42 p.m. W. Barfield moved, R. Kling seconded, adjourned without objection. The meeting portal was left open to allow discussion to continue for whoever wanted to stay on.

Submitted by C. Peachey, HLRPOA Secretary
Approved Oct. 21, 2026

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

Board Meeting Agenda
Wednesday, September 16, 2026
at 6:00 p.m. via Google Meet

1. Call to order

2. Roll call

3. Approval of minutes of the August 19 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. Presentation and discussion of 2027 Draft Budget
   b. Review of proposed 2027 annual assessment due date
   c. Work session to continue revising the draft Enforcement Policy
   d. Work session to discuss possible amendments to the Bylaws
   e. Call for business items for next meeting

8. Comments from Directors

9. Next scheduled board meeting date – Wednesday, October 21, 2026

10. Adjourn

Balance Sheet

HLR POA

As of Sep 01, 2026

Report Type: Cash Basis (Paid)

ACCOUNTS	Sep 01, 2026
Assets	
Cash and Bank	
Checking (Vantage West)	$50,174.38
Flex Fund (Vantage West)	$16,530.59
Reserves (Vantage West)	$21,137.20
Total Cash and Bank	**$87,842.17**
Other Current Assets	
Total Other Current Assets	**$0.00**
Long-term Assets	
Total Long-term Assets	**$0.00**
Total Assets	**$87,842.17**
Liabilities	
Current Liabilities	
BUSINESS CREDIT CARD-TIER 1 (0205)	$186.32
Total Current Liabilities	**$186.32**
Long-term Liabilities	
Total Long-term Liabilities	**$0.00**
Total Liabilities	**$186.32**

Equity	
Retained Earnings	
Profit for all prior years	$71,927.72
Profit between Jan 1, 2026 and Sep 1, 2026	$15,728.13
Total Retained Earnings	**$87,655.85**
Total Equity	**$87,655.85**

Profit and Loss

HLR POA

Date Range: Aug 01, 2026 to Aug 31, 2026

Report Type: Cash Basis (Paid)

ACCOUNTS	Aug 01, 2026 to Aug 31, 2026
Income	
Interest Income	$5.66
Total Income	**$5.66**
Total Cost of Goods Sold	**$0.00**
Gross Profit	**$5.66**
As a percentage of Total Income	**100.00%**
Operating Expenses	
Admin: Mailings	$115.20
Admin: Website	$115.87
Common Areas: Road Maintenance	$157.50
Finance: Accounting Systems	$186.32
Services: Legal Fees	$237.00
Total Operating Expenses	**$811.89**

Net Profit	**-$806.23**
As a percentage of Total Income	**-14,244.35%**

HLR POA Draft Budget for 2027

Budget Total **$40,210**

Taxes $644

Budget Line	Finance Committee Initial Draft	POCs' Adjustments Amount	Date	Total
AZ Income Tax	$52	($2)	31-Aug-26	**$50**
Cochise County Property Taxes	$31			**$31**
Arizona Corporation Commission	$11	$37	12-Sep-26	**$48**
Tax Preparation	$515			**$515**

Services $6,708

Budget Line	Finance Committee Initial Draft	POCs' Adjustments Amount	Date	Total
Insurance	$2,060	$1,030	30-Aug-26	**$3,090**
Legal	$618	$3,000	28-Jul-26	**$3,618**

Common Areas $24,773

Budget Line	Finance Committee Initial Draft	POCs' Adjustments Amount	Date	Total
Road Maintenance	$19,570	$4,585	12-Sep-26	**$24,155**
Windmill	$309			**$309**
Common Area Other	$309			**$309**

Administrative $2,132

Budget Line	Finance Committee Initial Draft	POCs' Adjustments Amount	Date	Total
Annual Meeting and Election	$646			**$646**
Website	$206			**$206**
Mailings	$534	$373	31-Aug-26	**$907**
Google Business Suite	$206			**$206**
Post Office Box	$93	$7	12-Sep-26	**$100**
County Recorder Fees	$67			**$67**
Office Supplies				

Finance $1,318

Budget Line	Finance Committee Initial Draft	POCs' Adjustments Amount	Date	Total
Financial Review	$139	$11	02-Aug-26	**$150**
Accounting Systems	$206	$19	12-Sep-26	**$225**
Reserve Fund	$1,236	($1,236)	12-Sep-26	
Delinquent Account Burden	$891	$52	02-Aug-26	**$943**
Outsourcing POA Management	$2,266	($2,266)	31-Aug-26	

Other $4,635

Budget Line	Finance Committee Initial Draft	POCs' Adjustments Amount	Date	Total
Mining	$4,635			**$4,635**

END OF REPORT

from: E:\CommonDatabases\TreasurerCorrespondence 10.accdb

on: Saturday, September 12, 2026 at 15:36

HLR POA Budget Adjustments for 2027

Original draft amounts set on 1 June 2026 by the Finance Committee based upon past expenditures, then adding 3 percent for inflation

This report explains adjustments made to those original amounts

Taxes

AZ Income Tax

2026-08-31: -$2 to cancel out the budget entry because the state has not demonstrated a habit for implementing modest changes.

Cochise County Property Taxes

Arizona Corporation Commission Fee

2026-09-12: $37 added to pay for the mandatory expedite fee ($35) and service fee ($2) if there is any change in directors.

Tax Preparation

Services

Insurance

2026-08-30: $1,030 added to increase the total by 50%--a placeholder pending the final cost estimate.

Legal

2026-09-12: Adjustment changed to $3,000 for the expected legal reviews of the Association's enforcement policy and revised bylaws (at $1,500 each), and the deductible amounts if we get sued can be paid from a reserve established within the Flex Fund. 2026-07-28: $25K added to cover the costs should we be sued (as many as five at $5K per lawsuit).

Common Areas

Road Maintenance

2026-09-12: Adjustment changed to $4,585 based on actual full grading cost ($15,633) plus inflation, and paying repairs out of the reserve fund. 2026-08-31: $14,585 added to reach total needed for one full grading, one half grading, and $5K for repair work (based upon estimate full grading cost of $20K).

Windmill

Common Area Other

Administrative

Annual Meeting and Election

Website

Mailings

2026-08-31: $373 added to more accurately predict the printing costs of the Treasurer and Secretary. The Treasurer is keeping daily records of all printing to ensure that whoever next serves as Treasurer will not be saddled with any expectations of out-of-pocket expenses.

Google Business Suite

Post Office Box

2026-09-12: $7 added because USPS has announced intentions to raise rates in 2027 by 6 to 8 percent.

County Recorder Fees

Office Supplies

Finance

Financial Review

2026-08-02: $11 added to reach total of $150 because CNJ Bookkeeping has demonstrated a pattern of changing its prices in $25 increments.

Accounting Systems

2026-09-12: $19 added because WAVE is planning expanded capabilities which will likely result in cost increases beyond the anticipated inflation.

Reserve Fund

2026-09-12: -$1,236 because the reserve fund increase can very likely be paid out of leftover operating funds.

Finance

Delinquent Account Burden

2026-08-02: $52 added in expectation of an assessment increase (burden is equal to three account delinquencies).

Outsourcing POA Management

2026-08-31: -$2,266 to cancel out the budget entry because: The purpose of the increase was to pay an outside agent to handle the unpleasant duties associated with a FEW overdue and delinquent accounts; but that unpleasantness is outweighed by the unpleasantness of increasing ALL members' assessments by a significant amount.

Other

Mining

2026-06-01: Original draft amount set by the Finance Committee based upon anticipation of three questions going to the attorney for advice, with each question resulting in a charge of $1,500, and adding 3 percent for inflation.

Note: Current draft 2027 budget is $40,210, which would drive the 2027 annual assessment to $296 / lot. Maximum 2027 annual assessment is $42,704 ($314 / lot). 2026 annual assessment was $35,632 ($262 / lot)

END OF REPORT

from: E:\CommonDatabases\TreasurerCorrespondence 10.accdb

on: Saturday, September 12, 2026 at 18:46

High Lonesome Ranch Estates Property Owners Association

Enforcement Policy

Final Draft for member review, September 16, 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 (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 attempt to substantiate the reported violation. The Secretary will include in the minutes of the next meeting of the Association's Board of Directors a 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:

4A. 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.

4B. Contesting the Notice of Violation. As specified in ARS 33-1803, a member (Property Owner) 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 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. The monetary penalty for a violation will be one quarter of the Association's annual assessment (rounded to the nearest dollar) per lot per violation per calendar month (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.

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.

DRAFT