

**HIGH LONESOME RANCH ESTATES PROPERTY OWNERS ASSOCIATION
ANNUAL MEETING**

Date: December 4, 2004

Time: 1:00 p.m.

Place: Schieffelin Hall, Tombstone Arizona

CALL TO ORDER

The meeting was called to order at 1:00 p.m.

ROLL CALL

Class B Developer Representative: Kathy Keil, Western Land

Cadden Community Management Annette Gardner, Jackie Gardner, Sharon Dirienzo

Property Owners Present: As per sign-in sheet

Property Owners by Proxy: As per sign-in sheet

Minute Taker Annette Gardner

QUORUM

A quorum of both Classes of Membership was present to conduct an official meeting.

PROOF OF CALL

Proof of call was evident by the members present or represented by proxy.

INTRODUCTION

The members present introduced themselves to each other.

BUSINESS

Approval of Prior Year's Minutes — December 6, 2003

Motion: to approve the December 6, 2003 minutes as presented. Motion was seconded and passed unanimously.

Financial Report

The members present were given a year to date expenditure analysis. The account balances as of November 30, 2004:

Operating: \$1,550.37

Reserve: \$4,150.00

Delinquencies:\$1,814.94

MOTION: to accept the Financial Report as presented. Motion was seconded and passed unanimously.

Election of Class A Board of Directors

Nominees: Joe Alberti, James Browning, Phillip Gray, Harry Huffman, Ralph Mastroberte, Jeffrey Shelton, Keith Stanford

MOTION: to defer the election of the Class A Membership for six months. Motion was seconded.

Discussion: discussion ensued as to why the election should be postponed for six months and the question was raised as to a member being on the Board if that member was in violation of the CC&R's.

Call for Vote: the members were asked to vote by roll call. Motion failed by 23 votes against postponing the election for six months and 17 votes in favor of postponing the election for six months.

MOTION: to open the floor for nominations. Motion was seconded and passed unanimously.

Nominations from floor: None

MOTION: to close the nominations from the floor. Motion was seconded and passed unanimously.

Vote:

Annette Gardner explained the voting procedure and cumulative voting. Three tellers were appointed, Russ Christopher, Diane Beard and Madeline Thomas. The members voted and the tellers collected, verified and counted the ballots.

Announcement of 2005 Board

The 2005 Board of Directors was announced as: Ralph Mastroberte, Jim Browning, Jeffrey Shelton, Keith Stanford and Joe Alberti.

Next Meeting

It was announced that an organizational meeting would be held directly after the meeting and that all members were invited to attend the open meeting.

ADJOURNMENT:

MOTION: As there was no further business to discuss, the meeting was adjourned at 2:25 p.m. Motion was seconded and passed unanimously.