

**High Lonesome Ranch Estates Property Owners Association
Board Meeting Minutes
October 14, 2005**

Call to Order. Jim Browning, the President of the Board, called the meeting to order at 1:35 p.m. The meeting was held at the Sierra Vista Public Library Meeting Room and it was open to the public.

Roll Call. Mr Browning noted that after three members of the Board resigned, Terrie Gent was appointed by the developer as a member at large. Joyce Green was then appointed by the Board to act as Treasurer. The other Board members who attended the meeting were: Lou Christensen, Jr.; Joyce “Jo” Green; and Terrie Gent. She agreed to act as Secretary for this meeting and to take the minutes. Four other members of the Association also attended.

Introductory Comments. Jim Browning invited comments from everyone during the meeting.

Old Business.

a. **Last Meeting.** Jim Browning said there were no minutes from the last board meeting because the meeting was never called to order. Although all five members of the board attended the meeting, three members of the board resigned before the meeting began. Because there was no longer a quorum, the remaining Board members could not hold a meeting.

b. **Financial Report.**

1. Jo Green stated that the Operating Account held \$9,454.59. The Reserve Account held \$5,300.38. As for fixed expenses, the Association spent \$666.69. The Association also spent \$218 on signs; \$1242.92 on road repair; and \$4223 on administrative expenses such as management, postage, copying, office supplies, meeting expenses, and legal fees. Jo Green said the Association’s income to date is \$14, 940 and delinquencies included \$613 while \$305 has been prepaid for Association dues. Jo Green said nine owners are delinquent in paying Association dues.

2. Jim Browning said that the Association’s management company, Cadden, sends delinquent owners periodic notices of the delinquencies.

3. Mr Browning also stated that the Association should expect a bill of about \$1200 for insurance and \$2100 from the contractor hired to repair the

Association's roads. The contractor worked between three and four days, some days well into the night. Mr Browning noted that he and some other property owner's blade their own roads and this helps the Association save money. Also, he did not have the contractor blade the roads on the ranch that are not used by anyone. His also helps reduce expenses. Finally, he said that the contractor gives the Association a better per hour rate than his other customers because he created the roads at the inception of the development.

c. **Architectural Review.** Stan Haag, a member of the Architectural Review Committee, said that there were about three done over the past month, and about 10 during this year. He said he would check on an application by Madelyn Thomas.

d. **Newsletter.** Terrie Gent proposed that the Association publish an official news report. She said that her husband had volunteered to handle this. Ms Green noted that the Board had previously approved the publication of such a periodical, and Mr Browning noted that someone had volunteered to do this before, but had not followed through. Ms Gent suggested that the news report contain notes from the President, notes from the Board, the minutes of meetings, and comments by the various committees set up by the Board, as well as family and local news. Mr Browning approved the publication of such a news report. Ms Gent noted that it would save the Association quite a bit of money if owners with Internet capability would agree to accept an electronic copy of the news report rather than a paper copy. Mr Harry Huffman, who was also in attendance, indicated that he also plans to continue publication of *The River Rider*.

e. **Web Page.** Ms Green noted that the Association needs its own web page. This issue was later addressed under new business.

f. **Double U Ranch Road.** Mr Browning reported that Cochise County has agreed to obtain the Double U Ranch Road from the State. A private citizen leased the road and wanted the Association to help pay for the lease since Association members use the road. Mr Browning researched the history of the road and persuaded county authorities that they should obtain the road. He noted, however, that this does not mean that Double U Ranch Road will get any more attention than the other dirt roads maintained by the county.

g. **End of High Lonesome Road.** Mr Browning said that the end of High Lonesome Ranch Road is not a really a legally recognized road and the county will not maintain it.

h. **Cowan's Cows.** Mr Browning noted that the Cowan Ranch has attempted to remove all it's cattle from land owned by the Association's members.

If there are still cattle on members' land, they are stragglers that they could not catch or belong to someone else.

New Business.

a. **Bylaws.** Mr Browning said that the Association's bylaws state that the annual Members Meeting will be held in the first quarter of the year. However, the Association's Member Meetings have always been held in December because that was the anniversary of the creation of the development. Some people have complained that a December meeting interferes with holiday activities. Mr Browning consulted the Association's lawyer and learned that it would be permissible to change the annual meeting to January. He moved that the meeting be changed to January, specifically January 14th of this year, and Ms Gent seconded the motion. All Board members voted aye on this motion.

b. Dues.

1. Mr Browning stated that the annual dues have not been raised in three years. The Bylaws say they may only be raised 20 percent in a year. Mr Browning noted that the Association has some outstanding bills, as discussed before, and we have no line item in our budget for legal fees. If it becomes necessary to foreclose on a lien, or get legal opinions on other matters, the Association has no extra money to do that. Mr Browning said that the developer is still paying for the legal bills of the Association. However, when the developer stops doing this, the Association must pay its own legal bills. Ms Green noted that the Association will end this year with a small budget surplus and this could be put into the reserves. Mr Browning said that road repair costs will increase because of the increase in the price of diesel and that would consume our budget surplus. He also noted that we will need to install some culverts at parts of the ranch, such as on Reata Pass and near the stock tank, and this would cost several thousand dollars.

2. Mr Haag stated that he is planning to put some dams on his property that could reduce some flooding, but Mr Browning noted that this will not address all the culvert needs on the ranch. Mr Huffman asked whether we could increase the dues just for road repair. Mr Browning said that we will probably have increased costs across the board for other items like insurance. Mr Haag suggested that if the Association has too much of a surplus it could refund money in the future. He said another association he belongs to has done this.

3. Mr Huffman asked if we had a special assessment just for roads, would the other costs be well covered. Mr Browning replied "yes." He also said that it is administratively difficult to approve a special assessment and he didn't

want to saddle a future board with a budget shortfall or the precedent of imposing special assessments for roads.

4. Mr Browning proposed an annual dues increase of \$20.00, ten dollars due each six-month period. Ms Green seconded that motion. All Board members voted aye on the motion.

c. Penalties for Owners Who Don't Pay Dues.

1. Mr Browning proposed that the Board decline to act on requests, such as for architectural reviews, from those who are more than 60 days in arrears. Mr Huffman commented that he did not oppose this proposal, but suggested that we research its legality by calling an office at the State of Arizona. The board agreed to table this proposal.

2. Mr Browning also made a motion that there be a late charge of \$25 per payment period for those who do not pay annual dues on time. He noted that other property owners associations commonly do this. This late fee could total \$50 per year for those who are late paying at each of the six-month period. Ms Green seconded this and all Board Members voted aye on this motion.

d. **Windmill.** Mr Browning said that Bill and Barb Brown have agreed to maintain the windmill. They need \$60 to fix it. He made a motion that the Association allow Mr Brown to have up to \$100 to make repairs on the windmill during the next year. Ms Green seconded the motion. All the Board members voted aye on this motion.

e. Positions to Be Elected at Annual Meeting.

1. Mr Browning stated that all five Board members positions are subject to election at the upcoming annual meeting. He noted that Mr Christensen will not run for election. Mr Browning said that the Association's Bylaws deviate from the recommended format in that they do not provide for "staggered terms" for those who were elected at the first election following the expiration of the Class B membership. Mr Huffman suggested that the Board could put before members at the 2006 election proposed changes in the Bylaws to be put into effect in 2007

2. Mr Browning said that Arizona law has changed and proxy voting is no longer allowed, but Association members may vote by absentee ballot.

3. Ms Gent observed that the Association's Bylaws require a nominating committee. She said she does not intend to run for office and volunteered to head the nominating committee. Mr Browning put her in charge of a nominating committee.

f. **Web Page.** Ms Gent observed that the Association needs a web page. Stan Haag commented about web sites he has been involved with. He and Ms Green agreed to work on this together. The Board members concurred in the creation of a web page for the Association. Ms Gent noted that the web page should be "apolitical" and only contain information about the work of the Association. Mr Browning said the board would approve up to \$200 to set up a web page for the Association.

g. **Annual Member Meeting Place.** The Board members discussed various possible meeting places, their cost, and capabilities. Ms Gent recommended that there be a social before the meeting. She said she and Ms Green would organize this. The Board discussed holding the meeting on Saturday, January 14, 2005, from 12:00 noon until 4:00 p.m. The Board will look for a suitable location in Elfrida or Tombstone.

h. **Next Board Meeting.** The Board members talked about the location of the meeting with those who attended the meeting. The group decided that the Sierra Vista Library would be suitable for the next meeting. The next Board meeting will be held on November 14, 2005 at one-thirty in the afternoon at the Sierra Vista Library Meeting Room.

Adjournment. The meeting was adjourned at two-fifty p.m.

Mr Browning, Mr Christensen, and Ms Green informed me, either personally, or telephonically, that these meeting minutes are approved and they may be released in the High Lonesome Ranch Estates News Report.

TERRIE M. GENT,
Acting Board Secretary
For 14 October 2005 Meeting

Date _____