



High Lonesome Ranch Estates
Property Owners Association Board of Directors Meeting
Sunday, 19 August 2012 2PM
Elfrida Community Center, Elfrida, AZ



Minutes (as of 19 Sep 2012):

- 2PM: Call to Order. Called to Order by Pres Bob H. Board members attending included Bob H, David V, and Eileen A; quorum met. Property owners in attendance included George B (43), David K (124); Alisa C and Phyllis C (13/20B), and Lillian H (71).
 - Pledge of Allegiance: recited
 - Code of Conduct: not read
 - President's Message: Bob H thanked all the committees and POs who attended or sent into the community meeting held in August. Bob applauded PO input and involvement.

- Consent Agenda: Eileen motioned to approve all the items on the consent agenda/listed below and as posted on the HLR website, Bob H seconded, and the motion carried.
 - Approval of 5/20/12 Board meeting minutes as posted on the web.
 - Treasurer Report: Monthly update;
 - Committee Reports (info only/no committee recommendations):
 - ARC: See ARC Aug 12 report *; Eileen A presented the report.
 - CCR: none
 - Windmill: See WC Aug Report *; Dave K presented the report; welcome to new members: Barbara B and Margaret B
 - Road: See Aug RC Mtg report report *; George B presented the report.
 - Nominations: none
 - DRC: none

- Committee Recommendations:
 - ARC: Rec changes to ARC Proc/Association Rules *; Eileen motioned to approve the recommended ARC procedures & guideline changes to be in compliance with the new AZ Revised Statutes AR33-3317 as posted on the HLR website, Bob H seconded, and the motion carried.
 - CCR: none
 - Windmill: See WC Aug12 report and recommendation *; Bob H motioned to fix the windmill and reimburse the WC for @ \$148 in parts, Eileen seconded, and the motion carried.
 - Road: See RC Aug 12 report with recommendations *:
 - Road Repair Projects: Eileen A motioned to approved repair project #1 (Stagecoach) with 2012 operating fund and 2012 reserve funds, Bob seconded, and the motion carried. Eileen A motioned to approved the repair of project #4 (Stagecoach) IF the repairer advises that the repair will FIX the problem and not require annual fixes with 2012 operating fund and 2012 & 2013 reserve funds, Bob H seconded, and the motion carried. Eileen A motioned to approve the RC to get estimates only for the cost of repairs to priorities #2, #3 and #5 (HL Road) and repairer advice/SME judgment on whether the repairs will FIX the problem and not require annual fixes.
 - Reimbursement: Eileen A motioned to not reimburse PO Malone (59) for road work done without prior approval, Bob H seconded, and the motion carried.
 - No Grading: Eileen A motioned to grade 100% of the ranch roads at least once per year which is a denial of a request by PO Thomas (84/85) and PO Green (90/107) to

not grade their roads, Bob H seconded, and the motion carried. RC agreed to express PO's concerns about rocks to Grader prior to work being done.

- Nominations: none
- DRC: none

- New Business: (20 min)

-- HLR POA Reserve Fund: see HLR Community Mtg Report Aug 12 (enclosure 1): Eileen A motioned to set a goal of \$40K for the reserve fund while continuing to invest in the ranch, Bob H seconded, and the motion carried.

-- Delinquent Dues actions: Eileen A motioned to approve authorizing the lawyer to initiate collection actions against PO delinquent on 2011 and earlier dues, Bob H seconded and the motion carried. Eileen A motioned to send letters in Nov 2012 to all POs delinquent on 2012 dues informing them of the initiation of liens, suspension of voting privileges and use of common area, and to set the hearing time as one hour prior to the 13 January 2013 BOD meeting, David V seconded and the motion carried.

-- Association Rules: Agenda Items: Bob H motioned to approve the new form with link for future agenda items, Eileen seconded, and the motion carried.

- Old Business Items: (none)

- Next Board Meeting: Sunday, 4 Nov, 2PM, Tombstone American Legion Post

- Next Community Meeting: HLR BOD will host a community meeting on Monday, 15 October 2012 at 6PM at the American Legion in Tombstone to discuss the 2013 HLR Budget.

- Call to the Membership**:

-- Alisa C (lot 13/20B) submitted two complaints on the HLR complaint forms. To be addressed at Nov BOD meeting.

-- Phyllis C (lot 13/20B) submitted a complaint on the HLR complaint form. To be addressed at the Nov BOD meeting.

- Review of Action items:

-- Eileen A to create and disseminate minutes and update HLR webpage.

-- Eileen A to coordinate with Cadden reference VRC reimbursement.

-- RC to take for action road repairs/estimates.

-- Eileen A to work with Lillian H on agenda item forms and links to HLR website.

-- Lillian H volunteered to prepare a document to send to all PO to provide input on the prioritizing of road repair projects.

-- Eileen A to prepare draft letters to be sent to delinquent POs.

-- Bob H to work with Cadden and POA lawyer to pursue delinquent dues collection.

-- Bob H to coordinate for the American Legion on 15 Oct for the Community Budget Meeting.

- Executive Session: none

- Adjournment: Eileen A motioned to adjourn the meeting at 4:07PM, Bob H seconded, and the motion carried.

* All reports are posted on the HLR official webpage at: http://www.hlrpoa.com/Committee_Reports.html).

** This is the time for the Membership to comment on issues that confront a member or the Ranch as a whole. Action taken as a result of Members' comments will be limited to a referral to the Board of Directors in order to study the matter, response to any criticism or scheduling the matter for further consideration and decision at a later date.

Enclosure 1: HLR Community Meeting Report for August 2012: Reserve Funds

The HLR BOD hosted a community meeting open to all POs on Saturday, 4 August 2012 to discuss the reserve fund. POs attending included: Bob H, Greg B, Eileen A, Joe A, George B, Jim B, and Lillian H. Thanks to all the POs who attended and for their input.

The purpose of the meeting was to discuss the HLR Reserve Fund and recommend a Reserve Fund level.

The HLR Reserve Fund currently has @ \$27K in the fund. The HLR Reserve Fund is for emergency repairs/replacement of common area property and for legal funds, as needed. The estimated cost of repairs/replacement of HLR Common Property is as follows:

- | | |
|--------------------------|---------------|
| - Roads: | \$80-100K |
| - Windmill: | \$5-10K |
| - Entrance/street signs: | <u>\$5-7K</u> |
| Total: | \$90- 117K |

Given the estimated cost above the attending POs recommended the Association should set a goal to maintain at least @ 30% of the higher end amount above to cover inflation/potential legal cost for an estimated: \$40K.

The attending POs recognized that 30% should be our goal but recommended that the Association use the reserve funds to fix the roads to the levels they were at when POs bought their properties. Concern was expressed that to maintain the value of our properties the Association needed to keep the roads in good condition.

The attending POs also encouraged/recommended to the BOD was that delinquencies not be allowed to age beyond one calendar year. If a property has not paid their dues in full by the end of any given year the HOA will turn those lot owners over to the attorney for collection, in addition to all of the other measures afforded the HOA by law. Measures discussed included: liens, collection agencies, suspension of voting privileges, suspension of use of common area, interest, and legal action.