

Minutes of Member Meeting
March 30, 2013

In attendance:

Doug and Adele Crouch
Keith Stanford
G. L. Holt
Phyllis Cavanaugh
Joel Levin
Greg and Maryanne Kenniger
Dennis and Charlet LePard
Joe Alberti
Bill and Barbara Brown
Tony and Judy Rossbach
Greg Briner
Tom Reed

Opening statement – to get the message and vision to the BOD so that the BOD understands they don't just represent the 5 BOD members, but the whole community. Gratitude was expressed to BOD members Greg Briner and Phyllis Cavanaugh for coming. An email was sent to all BOD members requesting their presence and asking for an RSVP. Response was received from Greg Briner, Phyllis Cavanaugh, Bob Hritz and David Vlasic. There was no response from Jo Green.

Recommend to the BOD:

- ▲ Two members' meetings per year to facilitate the ability of members to run parts of the meeting and to allow members who are unable to make the March meeting to have another option.
- ▲ Clarify duties of officers and obligations to the membership. Cadden has some of the responsibilities that the BOD should be doing, causing \$4,500 of expenses to the community. (Cadden writes out BOD checks, and in the past the BOD had assumed that responsibility). Joe explained the initial training he and other BOD members received, and how the original intent was to transition away from Cadden. Expenses related to Cadden will be discussed later in the meeting.
- ▲ Eliminate Cadden. The BOD in the past has declined to eliminate Cadden for the following reasons:
 - There is no place to store files: Adele has secured a site, for free, at Tombstone Real Estate.
 - There's too much work involved: We are a small community that can manage these duties easily.
 - This community has a history of dedicated volunteers that can help. (An audience member brings up the point that at Cadden there is often no one in the office.)
 - The files can have a sign-in sheet to see who accesses the files, and that it is a locking file cabinet.
 - Members discussed donating papers, printing services, supplies, file cabinets, etc. Joe suggests the community create a committee to replace Cadden, and that it is presented to the BOD. (It was brought up that the contract with Cadden can be canceled with or without cause with 90 day notice per CCR's Article 5, Section 5.5)

- Adele volunteered to look into the steps required to eliminate Cadden and present her report to the BOD at the April 21 meeting.
 - Discussion continued that we would still need to have an accountant and a lawyer. A lock box could be established for payments made. The treasurer is required to initiate an annual audit.
 - When a member of the community called Cadden, and spoke to Leslie, to ask what Cadden did, she received the answer that Cadden only does the financials.
 - The annual corporation commission paperwork can easily be filed, but we would need to get a new statutory agent. (The question was asked if our current attorney could be a statutory agent for the community. Perhaps, also, the president could be the statutory agent.)
 - Concerns that Cadden is involved in a class action lawsuit for improper debt collection practices. Management companies cannot file liens on property owners, and Cadden, to our knowledge, has done so. 16 liens have been filed on our behalf.
 - Our bylaws state that a lien can be placed on a property after 30 days, but state laws require 12 months or at least \$1,200 overdue amount. The bylaws must be changed to be consistent with state law.
 - Discussion that the CCR committee has the duty to become knowledgeable about state laws and judicial decisions that impact the CCR's and the Rules of the Association, to review CCR's, and to make amendments to the CCR's as needed to keep them in compliance with state laws. This can be done in sync with a bylaw committee. Alisa volunteers to head up the Bylaw review. Adele stated that she has volunteered for the CCR Committee in hopes of being a part of the review of those documents. This will also include the Rules and Procedures as stated in the mission statement for the CCR Committee.
 - A number of Cadden expenses, as shown on the 2013 budget, do not make sense to some of the Property Owners and clarification has been requested. The Cadden expense per lot is \$34 a year; dues went up \$23 per lot.
- △ Discussion about the changes needed in order to build community; for example, more meetings of the BOD – monthly.
 - △ Discussion regarding Article 9 – 9.2 of the CCR's. If an ARC committee response was not responded to within 45 days, historically that request was automatically approved. However, there is no such clause in the CCRs. A prior chair of the committee thought that it was an automatic decline. It is discussed that the language to the CCRs or Rules clarify that if an ARR is not acted upon within 45 days, it is automatically approved. One property owner shared an approval letter dated March 5, 2013 in response to an ARR submitted May 8, 2011.
 - △ The ARC should have more autonomy. The committee works hard to ensure due diligence, fairness and consistency. When the ARC has declined an ARR, after extensive research, the BOD has overruled the recommendations.
 - △ Discussion about the reserve fund being used for legal purposes. That perhaps when a lawsuit is financed through the reserve fund, individual community members may not take much notice. If, instead, lawsuit funding comes from a special assessment, more community members may take note, ask questions about alternatives. Our original governing documents state that the reserve fund should be used for road maintenance, however the rules passed by the BOD state that 25% of the reserve fund can be used to build a legal reserve fund. The point is brought up

by Phyllis that, if the BOD is going to incur an expense that effects all property owners ultimately, then the opinions of property owners should be considered.

- ▲ All emails sent to the BOD should be disbursed to all BOD members within a particular time frame and that the secretary should respond to the property owner within a certain time-frame. Some discussion about flexibility due to vacations, work schedules, etc.
- ▲ Discussion about the BOD Code of Conduct and how it needs to include behavior related to common courtesy, remain professional, answer questions respectfully, etc., as the current Code of Conduct only reiterates duties and responsibilities. In addition, the Code of Conduct for the members should be revised to show some consideration to the Property Owners.
- ▲ The BOD must follow ARS 33-1803 related to CCR violation notifications. A complaint must contain the name of the complainant, the date and time the alleged violation was noted by the complainant, and a copy must accompany the complaint violation letter that is sent to the Property Owner.
- ▲ Discussion regarding Article 9 – 9.2. One property owner recently received an approval letter from Cadden for an ARR that was submitted May 8, 2011. The approval was dated March 5, 2013.
- ▲ When analyzing the true costs of the ranch; roads, insurance, legal counsel, accounting, etc., dues can be reduced to \$120/yr. (Actual costs would be, per lot, approximately \$85/year). Discussion about budget, and how items can be tightened. Website costs, for example, per the previous treasurer \$13/mo. to host the website through Yahoo (total \$156/yr.). Yet the budget has the following amounts. Property Owners would like an explanation and receipts to verify the charges as the variation in actual charges is too wide spread.
 - 2006 \$19 (actual)
 - 2007 \$0 (actual)
 - 2008 \$65 (actual)
 - 2009 \$542 (actual)
 - 2010 \$225 (actual)
 - 2011 \$42 (actual)
 - 2012 \$181 (actual)
 - 2013 \$200 (budgeted)
- ▲ Other discussion about supplies and other budget line items. Questions should be asked about particular line items, receipts should be supplied, and a required annual audit, as per our bylaws and federal law should take place. Previous annual audits should be verified and proof of same presented to the Property Owners.
- ▲ Reserve fund \$28,662 as of January 2013
- ▲ Operating account \$14,070 as of January 2013
- ▲ Total funds available \$42,732
- ▲ It is discussed that an audit should happen before Cadden is eliminated
- ▲ Suggestion that option is to stop funding the reserve fund, and lower the dues.