

DRAFT Minutes from Sunday, April 21st, 2013 HLR BOD Meeting Tombstone American Legion, Tombstone, AZ

The next meeting is scheduled for May 23rd (time and date and location TBD) and will be reserved exclusively for discussion regarding Cadden Management Company.

Board Members present: Greg Briner – President, Bob Hritz – Vice President, Phyllis Cavanaugh – Secretary, David Vlastic – Treasurer, Jo Green – Member-At-Large.

- Property Owner's present: MaryAnne Kenniger, Gregg Kenniger, Adele Crouch, Doug Crouch, Margaret Baxter, Mark Shelborne, Alisa Cook, Barbara Brown, Bill Brown, Wolf Holt, Moonstar Holt, Carl Gander, Gail Gander, George Barton, Sam Barton, Charlet LaPard, Dennis LaPard, Joel Levin, Cale Luna, Judy Rossbach, Tony Rossbach, Eileen Ahearn. Also in attendance were residents, JB and Jessamyn Lane.

Call to Order at 2:01: by President Briner.

Member Announcements

- Alisa Cook talked about Bountiful Baskets, a cooperative now in Elfrida and throughout the country, offering wholesale prices for high quality fruits and veggies at www.bountifulbaskets.org
- Adele Crouch mentioned The 8th Annual May Festival will take place May 11 in Elfrida AZ.
- Phyllis Cavanaugh related that Darin Huffman had contacted the board to let them know that his gate had been stolen from his property at HLR

Review of Minutes

March 9, 2013 meeting minutes

Eileen Ahearn protested:

- the Liaison positions of CCR for Bob Hritz and ARC for Greg Briner saying that there had not been a motion and vote. Phyllis Cavanaugh stated that there was discussion and agreement among the board members regarding the positions and a motion and vote are not required and have not traditionally happened. The minutes stood as written.
- that the Baxter letter was complete and should not be called a “draft” and that the secretary had not been directed to edit the letter. The minutes stood as written
- that David Vlastic has made a motion to have four board meetings this year and Bob Hritz had seconded. The minutes were amended to reflect that vote.
- That an Open Hearing for Robert Barfield regarding his ARR for clearing of land had occurred and was not reflected in the minutes. President Briner felt that it was a discussion that occurred and not a hearing since the ARR had been approved. The minutes were amended to reflect an Open Hearing for Barfield.

• Minutes from Annual Meeting of March 9, 2013 (not currently available)

Secretary Cavanaugh requested the minutes for the Annual Meeting from the prior Secretary,

Eileen Ahearn. Eileen indicated that she would have them completed by Saturday, April 27th, 2013. Secretary Cavanaugh also requested minutes from the Executive Session that occurred on March 9th. Prior Secretary Eileen Ahearn stated that there was no minutes from that meeting since no actions were taken and motions were presented at the open meeting. No minutes are forth coming from that meeting.

Review of Action Items from Previous Meeting

There were no items to review listed from the prior meeting. Eileen Ahearn asked if the violation letter to Baxter had been sent out as that was an action that was voted on. President Briner said it had not. Secretary Cavanaugh said she would address that issue in her Secretary's Report.

Officer's Reports

President's Report (Greg Briner)

President Briner expressed hopes that there would be positive changes with the new board. He felt that procedures in the past may not always have been accurate and that he did not want to lay blame or point fingers but he asked that the new board follow procedures and do better. He wanted to move on and do things properly.

Secretary's Report (Phyllis Cavanaugh) (Available upon request)

Secretary Cavanaugh expressed concern about two events that occurred since she became secretary.

All officers of the board were denied access to the board e-mail system, specifically the "sent e-mails" the "inbox" prior to 3/23, and an up to date "contact list", with Jo Green obtaining sole access without board approval.

- Secretary Cavanaugh stated that she changed the password for the e-mail system due to the departure of a board member and as instructed by President Briner.
- Jo Green sent an e-mail to Phyllis Cavanaugh at 8:30 pm threatening to close down the website if she could not "control" it.
- Jo Green contacted Yahoo Services the next day, before Phyllis Cavanaugh had read the e-mail and, since the system was in Jo Green's name, she changed the password and took sole control of the above mentions items.
- Jo Green then created another account for the other four board members and directed board e-mails to the new address.
- No one else has access to the history but Jo Green.

Secretary Cavanaugh explained that she contacted legal counsel about this matter and sent a letter to Jo Green demanding access. (copy available upon request)

Secretary Cavanaugh provided e-mail correspondence between board members regarding this issue and the issue below which documented repeated requests by Cavanaugh and Briner for access as well as concerns about open meeting laws. (available upon request)

Jo Green attempted to send out a violation letter to a property owner without board approval and invoked a closed meeting without informing the members.

(e-mail correspondence available upon request.)

- Secretary Cavanaugh explained that when the draft violation letter that was in need of edits was e-mailed to all board members for discussion, not all board members agreed to discussion as is required by Section 6.4 of our Bylaws.
- Specifically, David Vlastic did not respond to the e-mail and Phyllis Cavanaugh stated that she would not discuss the letter but did make a motion to send a brief letter to the property owner stating that the letter would be discussed at the next executive session.
- That motion was not agreed to by 100% of the members and failed.
- President Briner then motioned to have an alternative letter sent to the property owner so the board would not violate the State mandated 10 day response time. That motion failed as well.
- Jo Green then edited the letter and sent it to Cadden Management for mailing without approval from the board.
- President Briner intervened and instructed Cadden Management not to send the letter.

Phyllis Cavanaugh stated that since there had been a quorum invoked, she provided copies of the e-mail correspondence to the members at the meeting. She also stated that since there had been no response from the board within the state mandated 10 day limit, that it was her understanding was that the matter could no longer be pursued.

Discussion by Members followed the secretary's report:

- Jo Green expressed that she felt blind-sided by these accusations and that the Secretary's Report was very subjective and put meaning behind her actions that were not accurate.
- She said that in the past, everyone on the board could go in and look at the e-mails.
- She stated that the minutes were slanted and that they should just reflect the facts with no discussion, that discussion is like gossip and gets distorted.
- Jo Green stated that she would be happy to give up control of the website and that the password had never been changed in the past.

Several property owner's asked Jo Green if she would provide the password to the secretary. Jo Green stated that she did not have the new password with her and did not remember it. She said she would review everything and have a statement about it in the future. She did not answer any specific questions about this issue but only stated that she would have a written response.

Several property owners called for her resignation and most of the membership stood up at that time to express their support of a resignation. Jo Green stated she was not resigning.

President Briner called for a motion to approve the Secretary's Report. Phyllis Cavanaugh made a motion to approve, Greg Briner seconded. The vote was 3 to 2 to not approve the Secretary's Report with Phyllis Cavanaugh and Greg Briner voting to approve and Jo Green, David Vlastic and Bob Hritz opposing.

Treasurer's Report (Dave Vlastic) (available on request)

David Vlastic reviewed the Budget and said it was in balance. Adele Crouch asked about the line item, "general maintenance" and was told that it was the windmill and it was in the budget in case there was a need but the money was not always used and was rolled over if not spent. Adele thought the category should be called "windmill" to be more accurate and so people would understand what it was for. Barbara Brown said that the trough was still shut off per the board's request due to cattle gathering around it. Maryanne K. asked why we even have the windmill and Adele Crouch explained it was for property owner's who may need the water and in case of fire.

Jo Green motioned that the Treasurer's Report be approved and Bob seconded, all approved.

Committee Reports

Dispute Resolution Committee (Liaison, Greg Briner; Chair, Alisa Cook)

Alisa Cook discussed that work that had been accomplished to date regarding the dispute with the board and Mark Shelburne regarding the grazing of cows on HLR property. She explained that request for information had been sent to the board and the DRC was waiting on their response. The board has until May 3rd to provide the requested information. She said they had recently met with Mr. Shelburne and were compiling their report for his review per their procedures. Alisa Cook explained that Terri Gent had recused herself from this particular item but that she was still a member of the committee for future items.

Architectural Review Committee (Liaison and Chair, Greg Briner)

ARR for Barfield (lot 127 – stables and shed)

Carl Gander spoke to this request. He stated that, based on previous requests and approvals that the committee had recommended approval of this request even though the roof line of the shed and stable did not substantially match the roof line of the house. David Vlastic motioned for approval, Phyllis Cavanaugh seconded the motion and all approved.

CCR Committee (Liaison, Bob Hritz; Chair, Vacant)

There was no report for the CCR committee.

Road Committee (Liaison, Greg Briner; Chair – Vacant)

Greg Briner stated that the current contract with Frank had expired and he wanted the committee to review the roads. He said that there was an open item (Project 4 – Stage Coach Pass Road) and that the fiber optics were too close to do digging and that Mark Shelburne and Margaret Baxter had agreed to have the wash on their lot widened to see if that would help with the problems that occur when the summer rains occur.

JB brought up the problems with his road and that the contract states that there is 30 days to respond and then another 30 days to get the work done and that he had to pay \$200 so that he could get past the wash on Foothills Road. He asked what would have happened if there was a fire at his place and he felt that the dues are supposed to be for the roads but that it was not helpful to have to wait so long for a response to a problem. George suggested that arrangements be made to have an emergency fund available for occurrences like this. Bob Hritz stated that his lot is nearby to JB's and that he knew of the condition of the roads in the summer when he bought. He also stated that he would like to see the roads better

maintained.

Phyllis Cavanaugh suggested that the Road Committee and the Windmill Committee be allocated a budget to deal with emergencies and have the autonomy to make those decisions without board approval. Alisa Cook suggested the money should be allocated from the reserve fund. It was decided that the road and windmill committees would provide a proposed budget to the board for emergency use.

Windmill committee (Liaison, Jo Green; Chair, Dave Kelley)

Barbara Brown stated that the windmill needed a \$20 repair. Jo Green told her to make the repair and the board would take care of it.

Nominations/Elections committee (Liaison, Dave Vlastic; Chair, Vacant)

There was no report from the committee per David Vlastic. Eileen Ahearn stated that the chair must be a board member per our CCRs. Joe Alberti disagreed and said that Russ Christopher had been the chair in the past and was not a board member and that the chair must be a board member only for the ARC committee per state law.

Unfinished Business

Approval Letters to PO from prior meeting: Shelburne, Barfield, Thomas, Vlastic and Shelburne were prepared by Secretary Cavanaugh for President Briner's signature. She said that the process could be streamlined by bypassing the use of Cadden to write the letters and having the secretary write them and present them at the next board meeting for signature.

Bob Hritz suggested that the secretary could sign them directly and cc to Cadden.

Carl Gander talked about the wording in a prior approval letter that he received for his solar panels that mentioned he should notify the board when the work was complete so that an "inspection" could be done. He said the ARR was approved as written and there had been no mention of an inspection at the time of approval. He received the letter 8 months after the approval. Mr Shelburne said he never received his approval letter for the extension of time to clear lot 41. Adele Crouch produced an approval letter that she said was sent 2 years after the board approval. Eileen Ahearn, prior secretary explained that the requirement to send approval letters was enacted in August of 2012.

Carl Gander thought the words, "approved as submitted" should be included in the approval letter if appropriate.

Phyllis Cavanaugh made a motion to approve letters as submitted, Bob seconded and all approved.

Bob Hritz made a motion to allow the secretary to write, sign and send approval letters without board approval unless there is an caveat to the approval and in that case, she would submit the wording to the board for approval. Jo Green seconded the motion and all approved.

• Fence on Pecos Lane complaint (Alberti)

Alberti explained that a fence had been erected across Pecos Lane and that horses were freely grazing across both properties. Both properties are owned by the same property owner and Pecos Lane dead ends at the end of this property owners land. Jo Alberti felt that the road is common property, owned by the community and that access should be provided.

There was discussion about another fence that also crosses a road and why this fence was not being protested. Joe Alberti stated that the other fence had been approved 10 years ago

by the board when the Declarant was on the board and was witnessed by several property owners including himself as he was on the board at the time. He felt that the two issues should not be confused as they are two different situations. He said the Declarant could do whatever he wanted regarding the roads and had approved the gate.

Bob Hritz questioned whether we could sell or give away the community property to the property owner. Dave Vlastic wondered what to do if property owner claims the Declarant have given verbal approval.

Phyllis Cavanaugh makes a motion to have a letter sent to property owner requesting that the gate blocking Pecos Lane be removed. David Vlastic seconded the motion. All approved except Jo Green who opposed.

New Business

• Signature cards for Officers

The four officers, David Vlastic – Treasurer, Greg Briner – President, Bob Hritz – Vice President and Phyllis Cavanaugh – Secretary, all signed a Signature Card for the bank account and those will be delivered to Cadden by Phyllis Cavanaugh.

• Website Security (Member-at-Large Jo Green)

Jo Green would like to see a password given to all members of HLR to access the parts of the website that should be restricted from public view. An Owner's section was suggested to place sensitive material such as our minutes. Phyllis Cavanaugh expressed that she thought the current website was difficult to use and manage in that it requires that a program be downloaded to a hard drive in order to update the website. Alisa Cook said that she has seen HOA websites with password protection. Phyllis Cavanaugh mentioned using Google Forum, which is password protected and can store files and minutes and also may be used for e-mail threads if the board needed to discuss by e-mail the members could see and comment (possibly). There was discussion about finding a way to archive audio or stream meetings as they happen for property owners who are not on the ranch.

• Website ownership (Secretary Cavanaugh)

The website is currently registered to Jo Green and she agreed to release the Domain Name to the board. Phyllis C will call Yahoo to see about password protection for the current website while in the meantime, Alisa Cook and Joel Levin agreed to be in an ad hoc committee to research website options that would include password protection and video and audio options and present their findings at the next meeting. Jo Green motions and Dave seconds, all agree.

Bob makes a motion to have the website paid for by the board and transfer ownership along with the Domain Name. Jo seconded. All agree. Jo Green will call to see if Domain Name can be transferred.

• Request for website, general maintenance and miscellaneous supplies receipts (Alberti)

Joe Alberti had questions as to why there was no consistency to the budget in regards to the website from year to year. Jo Green explained that it was sometimes put under

“administrative costs” and that some of the charges were not itemized out in detail. She said that Cadden charges per phone call etc and going forward everything should be put in the proper place in the budget and not combined together. She said that she had not collected all the charges for the website and estimated that she had donated over \$250 for the website in the past.

Jo Green said that the basic cost for the website is around \$13 a month but \$200 a year is budgeted. She said bills should be itemized to Cadden and it was agreed that David Vlasic, the new treasurer, would meet with Cadden to see if they can do that in a more accurate way.

• **Review of ARC approval letter procedures, and ownership disclosure ARRs (Alberti)**

Joe Alberti felt that all owners of a property should sign the Architectural Review Request so that there is no confusion about approving a request without the knowledge of an owner. Bob Hritz thought it might cause difficulty for some people, if someone was deployed for example. Greg Briner made the motion to change the ARR to add an additional signature block and language to include all owners. David Vlasic seconded. Dave, Greg and Phyllis voted to approve. Jo and Bob voted to appose.

• **BOD member qualifications – property for sale (Alberti)** Joe Alberti wanted discussion as to whether a board member should resign if their property was for sale. Bob Hritz said he had property for sale and would be happy to resign if the board felt he should. He made a motion for the board to vote on his resignation and there was no second.

• **Property owners' recommendations following recent Member Meeting (Crouch)** Adele Crouch gave a summary of the items discussed at the March 30th Member Meeting (see attached) and asked that the board begin adding these items to the agendas of meeting to tackle them one at a time. She asked that the board prioritize a discussion on the removal of Cadden as a management service and have an exclusive meeting about that issue within a month. She wanted the board to research to see what other property owners wanted and thought about these issues with perhaps a survey or a mailing. She offered to donate money for the mailing if necessary. She said 21 people attended the Member Meeting that she, Joe Alberti and Barbara Brown sponsored and there was a strong consensus as to these issues. Alisa Cook suggested the use of Survey Monkey Tool to gain understanding of what the property owners want and that it is anonymous. The board agreed to set the date for the Cadden for May 23rd with location and time to be announced.

• **Formation of Independent/Membership CCR/Bylaw Review Ad-hoc Committee per Member Meeting (President Briner)**

Adele Crouch said that there is conflict between the AZ statues, the CCR and the bylaws and that things need to be updated and in sync with az law. She said the CCR committee has never done what is supposed to do – review the CCR/Bylaws and make them consistent with themselves and state law. She said there were a lot of conflicts within our documents that needed to be sorted out and the CCR Committee has not done it's job and had not met in months if not longer and state laws change. Jo Green said that the CCRs are very difficult to change but Adele Crouch said that she understood that but felt there should be some effort to simplify things. It was decided that Adele Crouch and Alisa Cook would join the CCR committee rather than start a new committee and work with Carl Gander to start reviewing our bylaws and ccrs and will make some recommendations as they move forward.

Greg Briner presented information related to the annual audit that has not happened in several years. Instead, there has been a copulation with is about \$250 a year. He said that an audit can cost up to \$5000 a year to do and there are three levels of inspection: an audit, a review and a compilation. The review, at around \$3000 is more detailed than the compilation but less expensive than audit. It was decided to defer this conversation until things regarding Cadden have been decided since, if we do make a change, that would be a good time to look at doing something more involved than a compilation.

- **Committee membership nominations (President Briner)**

- Nomination list incomplete due to inaccessibility of BOD email "Inbox"

- Known nominations include: Doug C. (ARC), Wolf H.(ARC), J.B. (Road), Alisa C. (ARC, CCR), Bill B.(ARC), Barbara B. (ARC & CC&R), Adele C.(CCR) Eileen A. (CCR, ARC)

There was discussion about the ARC with presently consists of Jo Alberti and Carl Gander and Dave Kelly, who has not been active at all. It was suggested that there should be a minimum of three and a maximum of seven and that since so many people wanted to be on the committee that married couples should not be on it together. There were 10 people who volunteered but it could not be decided who would be on the committee and this discussion was deferred until the next meeting. David Vlasic left the meeting at 6:57 and the meeting did not continue long after that. Jo made a motion to adjourn the meeting, Bob seconded and all agreed. The meeting was adjourned at 7:15.

- Open Meeting Laws (Secretary Cavanaugh)

This issue will be addressed at the next available meeting.

The executive session did not occur due to time constraints.

Action Items:

- Note: Cadden needs updated/revised 2013 budget to assure accurate records re: dues change – prior item – resolved?

It was decided that the road and windmill committees would provide a proposed budget to the board for emergency use.

Adele thought the category should be called "windmill"

Mr Shelburne said he never received his approval letter for the extension of time to clear lot 41 and lot 118.

Phyllis Cavanaugh explained that she did not have access to prior letters or prior e-mails.

Eileen Ahearn stated that she would help with that.