

High Lonesome Ranch Estates
PO Box 215
Elfrida, AZ 85603

Draft Minutes for December 14th, 2013
Meeting of HLR BOD
Elfrida Community Center
Elfrida, AZ
9:00 am

This meeting has been called with a limited agenda, primarily to discuss the recommended changes to the HLR POA Bylaws. We have set aside two hours for this discussion. After a small break, the meeting will resume to discuss time sensitive, end-of-year issues.

- Call to Order: President Briner, 9:00 am
- Pledge of Allegiance

- Discussion of recommended changes to the HLR BOD Bylaws by the CCR/Bylaw Committee (Cook) – Two Hours

Briner suggested that Cook go through each suggested change and briefly discuss it. Cook agreed and each section was briefly reviewed by Cook, followed by a request for changes or discussion by the board and discussion by the property owners if any. Cook started by suggesting that every time “electronic ballot” was mentioned, that it be followed by “if state law permits”.

She said that the point of the changes was to add power to the property owners and add checks and balances to the power of the board. Below are the changes to the specific sections that the board requested the committee amend and submit for review at the next meeting.

The language below may not be the exact language that will be submitted. It was decided that the committee would make suggested changes to the language based on the feedback from the board and that this discussion would not be bogged down in crafting the exact language.

First paragraph: add an effective date.

Article IV

Section 4.1 Instead of three (3) to five (5), change to three (3) or five (5) directors. Also, in this section, clarify that each board member must be an individual member and not someone designated by a corporation partnership or other entity.

Section 4.2 Term of Office

Briner opened discussion regarding this section with concerns that we may not have a large enough pool of property owners who are willing to step up and serve on the board. He felt that term limits may cause problems down the road. Cavanaugh stated that she had run on the issue of term limits and that when she had polled property owners on this issue 100% of property owners who answered her survey were in favor of some kind of term limits. Levin suggested we might have a “break” between property owners running after they had served two terms. Crouch suggested that requiring a petition to run again by a percent of property owners might cause a conflict with property owners requesting that their contact information not be released.

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The board asked Cook to have the committee submit different options to consider based on the discussion and concerns raised by the board and the property owners.

Article VI Meeting of Directors

Regarding email discussion, it was emphasized this was regarding a quorum of the board and not individual members e-mailing each other. There was a question as to whether or not the agenda could be discussed as a group. Cavanaugh felt that discussion of the agenda by all board members led too easily into debate and felt that the board members should submit all requests for agenda items within two weeks prior to the next meeting and all items submitted would be included. She said the agenda should then be reviewed by the Secretary and President prior to the meeting.

Article VII Responsibilities, Powers and Duties of the Board of Directors

Section 7.2 Powers

Regarding the Rules and Procedures, it was suggested that it is currently too easy for the Board to add Rules and Procedures by a simple vote at a meeting without any input from property owners. The Board asked for language to be added that would require a yearly review of suggested changes to Rules and Procedures and a vote by members before they can be changed. It was suggested that these proposed changes could be voted on by the membership each June and not at the same time as the election.

- BREAK – 15 minutes 11:12

Approval of minutes from last board meeting Minutes approved with three corrections as noted by secretary that were grammatical only.

- Road Contract Review for 2014 (Briner)

Crouch moved to approve the Road Contract submitted by Frank Flanders, Briner seconded, all in favor to approve road contract.

- Road Repair Recommendations (Shelburne)

Shelburne met with contractors who have submitted a proposal for road repair and they drove the entire ranch, talking about the roads. Shelburne says what they want to do with High Lonesome Road is to create greater diversion of the rain water by widening the washes, pulling some trees and creating more turnouts. They suggested using a back hoe because there is no way to do these repairs with a grader. Shelburne said he would monitor this project closely if approved.

The other recommended project is an improvement on the wash on Stagecoach Pass. They are recommending a wire basket be constructed and filled with the rock that is now on Crouch property from a prior repair. This wire basket will then be fixed by pipe into a trench on the north side of the wash to slow down the water as it reaches the wash on Stagecoach Pass. The water will go through the rock but will be slowed down and (hopefully) prevent erosion of the wash.

Shelburne says there is no guarantee that this will work but that he believes we should try something to repair this wash and he will be actively involved in the entire project.

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There was discussion about the fiber-optic line that was in this wash. Shelburne agreed to cut down the tree on the south side of the wash and if fiber optic line is exposed, then the company that owns them would have to be called to move the line. Shelburne said that the fiber optic line only comes in to Stagecoach and the rest of the HLR property has a copper line.

There was discussion as to whether it was better to have the wire basket on the down-stream side of the wash but this was complicated by the fiber-optic line and that is why it was recommended on the opposite side.

Also, this contractor, made a proposal to provide emergency repair within 48 hours. Three hours of work would be provided for \$200 and then any additional emergency work would be charged hourly at \$65 if needed to finish the work. All board members thought this was a great deal as getting repairs done in a timely manner has been a continual problem in the past.

This contractor also had e-mailed a copy of a Certificate of Insurance to Shelburne prior to the meeting and Shelburne had forwarded that to the board.

Shelburne agreed to talk to Flanders about any potential road improvements that may be done so he is aware of these changes prior to grading.

The Road Committee recommended approving this contract in its entirety, including both repairs and the contract for emergency repair. Crouch moved to approve the Road Repair Contract as submitted, Cavanaugh seconded. All approved. Crouch suggested that Shelburne submit receipts directly to her for payment. He agreed to purchase the material and submit the receipts for reimbursement.

- Review of Articles of Incorporation (Crouch)

Crouch recommends a special election to change the Articles of Incorporation to reflect recommended changes to the Bylaws and to stay current with information needed by the Arizona Corporation Commission.

Cavanaugh moved to have an election to change the Articles of Incorporation as submitted by Crouch, Holt seconded, all approve.

Crouch suggests that the Nomination Committee put out the ballots and then contact people that have not returned the ballots. Crouch said that John Price from Cadden and our attorney had recommended a 45 day limit.

She explained that it takes 75% of the property owners to vote and then a majority of those to approve.

- Close operating account with US Bank

Cadden is required to close our operating account with Alliance and our reserve account with US Bank since we are no longer using Cadden starting in January, 2014. They will be cutting us a

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two checks for the totals. Crouch explains the money from the reserve will go into a new reserve fund that she wants to open at Great Western Bank (see below). She recommends that the money coming from our old operating fund be placed in our Great Western Road Repair account (along with other money), so we will have in total approximately \$10,000 available in the Road Repair Fund for 2014.

- Open new bank account for Reserve Funds.

Crouch moved to open a Reserve Account at Great Western Bank, Sunsites Branch with signatories on that account to be, Briner, Holt, Cavanaugh, Crouch with two signatures required. Briner seconded, all approve.

Crouch has the paperwork ready for signatures for the Road Repair Account and those papers are signed and returned to Crouch.

- Approve 2014 budget

The dues are now adjusted to \$170 per year per lot.

The Budget was further amended because Crouch contacted the CPA who did our taxes and compilation in the past for Cadden and he agreed to continue to do that work for us for \$250 per year. So, Crouch removed the estimated \$1500 from the budget and increased the amount for road maintenance based of Flander's new contract.

Holt moved to approve the budget as submitted, Briner seconded, all approve.

- Property owner Green ARR

Cavanaugh moved to approve the ARR as submitted, Crouch to seconded, all approve.

- Call to Membership

Cook made a comment that we need to call a meeting in time before the 60 days to the election comes since we may have term limits in effect that may negate prior board members from running in this election.

The next meeting is set for January 9th at 7:00 at Doug and Adele Crouch's house. Bring chairs

The Annual Meeting time is set for March 15th with the pot luck at noon and the meeting at 1:00.

Cavanaugh will put this on the next agenda to discuss pot luck.

Crouch and Cavanaugh agreed to meet to get letters out to property owners who are not current with their dues and inform them of their right to a hearing if desired. This letter is mandated prior to refusing a property owner the right to vote at the annual meeting.

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Crouch will communicate with Nominations Committee regarding the ballots for changes to The Articles of Incorporation.

- Adjournment (12:35 pm)

Briner moved to adjourn, Crouch seconded, all agreed.

High Lonesome Ranch Road Work Proposal

Work To Be Performed by

Will Edington 520-508-2778 cell Benji (no last name) 520-904-2183 cell

(From Buckskin Trail to Ranch south entrance)

1. Repair drainage ditches on High Lonesome Road from Buckskin Trail to Ranch south entrance .

This work will include:

- Widening many of the washes to improve and minimize water flow
- Excavate additional turnout areas to divert water flow from road service
- Remove mesquite bushes when necessary and haul away
- Use excavated material to resurface and improve existing road surface
- Grade road surface to blend material back into road base

Equipment needed: Backhoe, dump truck, road grader.

There will be no equipment drop off charge if proposal is agreed to.

Total contact price will be \$2,720.00 anticipated time spent on road (3) three days.

2. Repair wash on Stagecoach Pass by Joel Levin and Mark Shelburne property.

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