

EVRPOA 7TH ANNUAL MEETING—MINUTES (Approved 07/26/14)

Seventh Annual Meeting of Elk Valley Ranch Property Owner's Association held on 07/06/13 at The Hampton Inn, 1501 E. Woolford Rd., Show Low, AZ 85901.

Board Members:

Present: C.J. Hindman, President; Chuck Clark: Vice President; James V. Smith, Secretary; Joe Hindman, Treasurer.

Quorum present: Yes

Others Present: Approx. 17 property owners of Elk Valley Ranch.

A. Call to Order:

Meeting called to order at 9:30 AM by CJ.

CJ welcomed all the property owners present and thanked them for coming.

B. Proof Of Mailing:

Jim presented the Certificate of Mailing and read the Proof of Notice of Annual Meeting and noted that the Notice of Annual Meeting and the Ballot Packet was mailed to all property owners at their address of record by Platinum Management on June 06, 2013.

C. Review Of 2012 Annual Meeting Minutes:

1. Minutes from the 07/07/12 Annual Meeting were included in the Ballot Packet and there were no questions asked of the Board regarding the minutes.
2. A question was asked from a property owner regarding not voting for Board members in 2012, and it was explained that in the absence of any new volunteers for Board members in 2012, and that all of the Boards Members at that time agreed to continue, there was no vote for Board members.

D. Report Of The Board:

1. Nominating Committee: Chuck reported that the Nominating Committee had mailed and posted on the website a Call For Volunteers notice in May. Subsequently, the Nominating Committee placed the 4 existing Board members and 1 new proposed Board member up for election/re-election.

2. Treasurer's Report: Joe reported the following:

- a. The one-time reduction in dues to \$80.00 per parcel for 2013 would probably return to \$160.00 per parcel for 2014.
- b. Per the Balance Sheet (May 2013), Net Income was -\$15, 618.81 (negative).
- c. Road repairs depleted the budget reserve.
- d. The Board previously decided to use an attorney to file liens, which results in increased fees. The result has been an increased response from past-due accounts and the release of several liens.

e. Joe reviewed the current EVRPOA Financial Statement of May 2013 which was provided to all property owners in the Annual Meeting mailing packet, as follows:

ASSETS:

Wells Fargo Operating \$ 27,641.27

Wells Fargo Reserve 79,596.51

Wells Fargo CD 21,535.00

Total: Checking/Savings \$128,772.78

Accounts Receivable 29,600.32

Undeposited Funds 0.00

TOTAL ASSETS \$158,373.10

LIABILITIES & EQUITY:

Current & Long-Term Liabilities \$ 0.00

Equity

Opening Balance Equity 50,778.12

Retained Earnings 123,213.79

Net Income (15,618.81)

TOTAL LIABILITIES & EQUITY \$158,373.10

f. A property owner asked the Board how many property owners there currently were, and it was noted that the exact number was unknown but would be forthcoming. Several owners purchased more than one parcel, plus several have been foreclosed on, thus the number keeps changing.

3. Road Committee Report:

Chuck reported that the roads were in good shape with some maintenance needed in the eastern half of Unit 2. The next survey will occur after the monsoon season is over.

4. President's Report/Old Business: CJ reported the following:

a. The Board reviewed Platinum Management's contract and performance and noted that Platinum has done a good job and were very responsive to EVRPOA's needs. As such, the Board decided to continue with Platinum.

b. EVRPOA's attorney has filed for mediation with EVRPOA's old attorney and that mediation should happen in the fall of 2013.

c. Policy Update: There are 2 policies which the Board has approved, Mileage Reimbursement and Management Of Overdue Accounts.

d. There has been some vandalism on lots in EVR, and it was repeated that property owners should fence their property and post No Trespassing signs. Also, wood poaching on EVR has been greatly reduced.

e. Kinder-Morgan (K-M) Update:

i. 400 mile pipeline to be built south of EVRPOA property.

ii. K-M was supposed to be drilling this year, but no known activity to date.

iii. EVRPOA has not received any money from K-M for roads. The Board decided to let EVRPOA's attorney deal with K-M.

iv. If K-M wants to drill on a member's property, they will contact the property owner directly. The Board requests said property owner(s) notify the Board if this occurs.

v. K-M will reimburse the property owner(s) directly, as the Board has no authority to deal with K-M on behalf of individual owners

vi. Questions and answers:

1. Existing wells or new wells? 2 existing, will drill more.

2. Can the property owner charge K-M if they go on property? No, EVR property owners do not have mineral rights.

3. Fracking? CJ met with K-M, and they stated what they are doing now is technically not fracking, but fracking is possible in the future.

4. Will K-M attend an Annual Meeting? No, they prefer smaller groups to meet with.

vii. The Board recommends that concerned EVR property owners form an "Action Committee" to deal with K-M issues. This committee will not be a Board function. It was noted that Woodland Valley has done this and K-M is dealing with their Action Committee.

Question: How will the Board support the Action Committee? The Board will provide a link to the Action Committee on the EVRPOA website.

viii. It was mentioned by a member that KM drills down approx.. 2,500 feet, and that it would be 2016 before K-M does anything. NOTE: The Board has not confirmed this to be true but will report on any new information as it becomes available.

f. Regular Board meetings are open to all EVR property owners. Notification of place, time and agenda will be posted on the EVRPOA website not less than 10 days nor more than 50 days before each scheduled Board meeting.

E. New Business:

1. Ballot Results:

36 in favor and 0 against regarding the following measure:

Approving the 07/07/12 Annual Meeting minutes.

The following were elected/re-elected to the Board for 2013-2014:

CJ Hindman, James V. Smith, Chuck Clark, Joe Hindman, Carole Ramirez

2. Presentation of Proposed Updates to CCRs/Bylaws:

a. There have been 2 amendments to the CCRs that have already occurred, which were to bring in Unit 2 to the EVRPOA, then bring in Unit 3.

b. There will no longer be a "Declarant" as all EVR properties have been sold at least once.

c. Previously, all vote tallies were done by acreage (1 acre=1 vote). A change to 1 parcel=1 vote is proposed. This includes split parcels as well.

d. Reference to Arizona State Statute ARS 33-1804: POA Open Meetings and Exceptions.

e. There are 13 paragraphs to amend and 1 to delete in EVRPOA's CCRs, summarized as follows:

2D: Change Declarant to Elk Valley Ranch Property Owners Association, Inc (Association)

3A: Change Declarant to Association

3E: Add "Continuing" to lien

3F: Change vote from "per acre" to "per parcel"

3G: Change Declarant to Association and change "per acre" to "per parcel"

3H: Change 2/3 of ownership vote to 2/3 of ballots received. This is proposed due to the fact that we will never be able to get 2/3 of all property owners to vote. As a result, we need to change this to 2/3 of those who vote, based on the recommendation of EVRPOA's attorney, and the recommendation of the Board.

3J: Change Declarant to Association and change "per acre" to "per parcel"

4: Change Declarant to Association

5F: Change Declarant to Association

5K: Change Declarant to Association

6A: Change Declarant to Association

6B: Delete 6B

6D: Change 2/3 of parcels to 2/3 of ballots received

6E: Change 2/3 of parcels to 2/3 of ballots received

f. The Board decided to mail a ballot to all property owners containing the proposed changes to the CCRs by USPS Certified and/or Registered mail, Return Receipt Requested. Property owners will be voting on each change separately. The Board will make every effort to contact all property owners and will go with the total number of votes received.

g. There were no questions concerning the proposed changes to the CCRs.

3. Other: There were no other issues from the members.

F: Question and Answer:

1. The Board asked those in attendance if the Hampton Inn was an ok venue for the Annual Meeting and most agreed it was. One member asked about holding the Annual Meeting in St Johns, but most agreed to keep it in Show Low. It was suggested that the Annual Meeting be held later in July, and this will be considered by the Board at their next meeting, but the Board is in favor of this.

2. A member asked about the easement AT&T has on their property, and was informed that the easement has been there for years.

3. A member asked if they could put up a fence in a water flow area. The member was told that yes, it's ok to put up a fence anywhere on your land, except for easements that exist and 30' inside your property line (and 60' if bordering State Trust or BLM land). This is to allow ingress and egress, and for utilities. 2 lots can be combined, but easement for utilities and the rancher must remain.

G. Adjourn:

Meeting Adjourned at 10:44 AM by CJ

Minutes prepared and submitted by: Secretary James V. Smith