

Board of Directors Meeting 10/25/12 - Minutes (Approved 02/01/13)

A meeting of the Board of Directors was conducted on October 25, 2012. The meeting was called to order at 5:44 PM by Joe Hindman.

The following Members were present:

CJ Hindman – President

Chuck Clark – Vice President

James V. Smith – Secretary

Joe Hindman – Treasurer

Quorum Present: Yes

1. Minutes from the Board of Directors meeting of July 07, 2012 (completed and posted on 07/23/12) were reviewed and unanimously approved by the Board.

2. Joe reviewed the current EVRPOA Financial Statement (August 2012), as follows:

ASSETS:

Wells Fargo Operating \$ 50,715.27

Wells Fargo Reserve 79,511.84

Wells Fargo CD 21,485.85

Total: Checking/Savings \$151,712.96

Accounts Receivable 33,732.91

TOTAL ASSETS \$185,445.87

LIABILITIES & EQUITY:

Current & Long-Term Liabilities \$ 0.00

Equity

Opening Balance Equity 50,778.12

Retained Earnings 90,190.70

Net Income 44,477.05

TOTAL LIABILITIES & EQUITY \$185,445.87

3. Discussion of Past-Due Accounts: Joe recommended a write-off of uncollectible past-due accounts, and will report which accounts are/are not collectible by November 30, 2012. CJ questioned the previous logic and procedures regarding filing of liens and suggested the Board queries First United Realty regarding past-due fees of property forfeited by previous owners to First United. It was also suggested that reporting of Accounts

Receivable include a separate breakdown for First United-held property, as follows:

A/R A/R-First United Total A/R

4. Amnesty for Past-Due Accounts Without Recorded Liens: CJ suggested the Board **consider** an “amnesty” period for payment of past-due accounts for properties without recorded liens, as follows:

- a) Member(s) to pay past-due balance at \$180.00 per year of past-due dues.
- b) The Board will forgive all late fees equaling \$25.00 per occurrence.
- c) 2013 dues must be paid in full by February 28, 2013.
- d) Account must be paid in full by February 28, 2013.
- e) If all the above is completed, the Board will not file a lien on said property.

Joe Motioned, Chuck seconded, all unanimous. **Motion Passed.**

5. Amnesty for Past-Due Accounts With Recorded Lien: Also under consideration is an “Amnesty” for accounts with a recorded lien, as follows:

- a) If all of the conditions and requirements listed in Section 4 are met,
- b) The Board will reduce all lien fees by 50% of the amount owed.

Joe motioned, Jim seconded, all unanimous. **Motion Passed.**

6. To implement the above amnesty programs, the Board will need a report detailing all late fees charged and, if applicable, the recorded liens including the amount filed (if applicable). Joe will work on this report. CJ will draft a document for review detailing the amnesty terms and conditions.

7. Goal: One of the goals of the Board is to have a proposed budget for 2013.

Old Business:

1. Money Management: The Board is concerned about having excess cash for operations and road maintenance/repairs, and this was discussed at both the Annual Meeting and Board of Directors meetings of July 7, 2012. As a result, Joe motioned to reduce EVRPOA dues, for 2013 only, to \$100.00 per parcel, less the normal \$20.00 discount for on-time payment by check (50% reduction to \$80.00). Late fees will remain at \$25.00.

Joe motioned, Chuck seconded, unanimous agreement. **Motion Passed.**

2. Road Report: Chuck provided all members with a Road Report based on his recent inspection of all EVR roads, and motioned for the Board to perform the following:

- a) 2/3 of Unit 1 roads need grading.
- b) In total, 25.71 miles of EVR roads need grading.
- c) ABC aggregate applied, as needed (to be determined).
- d) Separate reporting of Repairs & Maintenance (R&M) from Improvements on financial statements.

Proposed Road Grading:

Unit I: N6500, N6501, N6502, N6503, N6504, N6505 (partial), N6506, N6507, N6510 and N6511.

Unit I Total: 5.16 miles.

Unit II-Eastern and Northern Section: N6460, N6461 and N6462.

Unit II-East and North Total: 8.59 miles.

Unit II-Western Section: N6469, N6470, N6471, N6472, N6473, N6474, N6475, N6476, N6477, N6478, N6479, and 1-unumbered road.

Unit II-West Total: 11.96 miles

Unit III: No proposed work at this time.

Total Mileage (Units I, II and III): 25.71 miles

Projected Cost: \$240.00 per mile x 25.71 miles = \$6,170.40 (Grading Only)

Chuck motioned, Joe seconded, all unanimous. **Motion Passed.**

3. Grading Contractors: Chuck has suggested 2 possible leads for a grading contractor and CJ mentioned a 3rd possible lead. The Board agreed to use our current contract as a template for future contractual agreements. It was suggested that Chuck checks with Kinder-Morgan for possible grading work and/or leads. The Board realizes the urgency of finding and hiring a road contractor as winter is approaching.

4. EVRPOA Website: Jim reported on the current status of the EVRPOA website as functioning normally. It is updated and maintained regularly. Jim has been looking for an upgraded website template to use for a complete redesign of the current website and noted that our web hosting contract with Network Solutions expires March 8, 2013. Jim will report on the status of the website at the next Board meeting in January of 2013, and will complete the project before March, 2013.

5. EVRPOA Attorney: The Board had contacted Bxxxxx Lxx regarding her services for EVRPOA representation and it was noted she had agreed. She will represent EVRPOA in our dispute with our former attorney (regarding the sheriff's sale of the Bettis property), as well as other current and future legal matters. CJ will keep in contact with her, pending a review of the current issue and proceed as deemed necessary.

6. Platinum Management: The Board discussed our current property management company, Platinum Management, and the service provided. It was noted that many requirements of EVRPOA were not being met, either by lack of knowledge and experience, inadequate computer and/or accounting software, unfamiliarity with accounting standards and practices, and other issues. As a result, the following was agreed to by the Board:

a) CJ has scheduled a meeting with Platinum to discuss the noted issues.

b) CJ is compiling a list of requirements for management company reporting to EVRPOA, including improved financial statement detail, accurate and detailed reports as requested by EVRPOA, timely issuance of financial statements and other reports, etc. This list, and the results of the Platinum meeting, will be provided at the next Board meeting in January 2013.

c) Prepare a Request For Quote (RFQ) and present it to other property management companies, both in Tucson and Phoenix, and locally in the White Mountains.

7. EVRPOA By-Laws and CC&R's Review: Jim reviewed EVRPOA's By-Laws and CC&R's regarding Annual Meeting requirements and the following was noted:

a) EVRPOA is in compliance with the By-Laws regarding the holding of the Annual Meeting both in Show Low, AZ and in July of each year.

b) CJ noted that there was no quorum established in both the By-Laws and CC&R's regarding membership voting.

c) Since both the By-Laws and CC&R's existed prior to the establishment of EVRPOA and were inherited, it was agreed to have our attorney review both documents.

d) Joe motioned to hold the 2013 Annual Meeting in Show Low, AZ on Saturday, July 6, 2013. Chuck seconded, all unanimous. Motion Passed.

New Business:

1. EVRPOA Board of Directors: The following issues were discussed, as follows:

a) Jim noted that the Board must consist of no less than three (3) nor more than five (5) Members. Currently, the Board consists of 4 Members. Jim motioned for the Board to actively seek a fifth (5th) Member. Chuck seconded. All unanimous. Motion Passed.

b) Board Members must be Elk Valley Ranch property owners and may be individuals, corporations, partnerships, LLC's, trusts or another legal entity, depending on how title to the property is held.

c) The importance of new Board Member recruiting and involvement was discussed both for the future of the Board and Elk Valley Ranch property owners.

2. Kinder-Morgan: Kinder-Morgan (K-M) has begun carbon dioxide (CO2) drilling operations in and around the St. Johns area, including Elk Valley Ranch property. The Board discussed K-M's exploration and drilling/pumping plans and CJ met with a K-M representative to discuss the many issues concerning their operations. A report detailing these discussions will be posted on the website, and mailed to all EVR property owners with the December dues statements.

3) Mileage Reimbursement: It was agreed that Board Members be reimbursed for the roundtrip mileage for attending quarterly Board Meetings only (not to include Annual Meetings), from their respective Elk Valley Ranch property, even if they drive from a different location. The reimbursement will be paid according to the then-current Internal Revenue Service mileage rate in effect. Motioned by Joe, Chuck seconded, all unanimous. Motion Passed.

4) Next Board of Directors Meeting: The next quarterly Board of Directors meeting will take place on January ??, 2013, time and place to be determined.

Meeting adjourned at 8:26 PM.

Minutes prepared and submitted by: Secretary James V. Smith