

SANTA FE RANCH PROPERTY OWNERS ASSOCIATION, INC.

Board of Directors Meeting
September 29, 2006 (9:00 A.M.)
Yucca Fire Station

- I. Call the Board of Directors Meeting to order (9:00 A.M.)
A. The meeting was called to order by Board President Joan Johnson at 9:14 A.M. at the Yucca Fire Station.
- II. Roll Call
A. Board Members: Joan A. Johnson, Chuck Bennett, Jeremy Rynders, Michael Sawhill and Hal Fisher were present.
B. Guests: All guests present signed in on the Sign In Sheet.
C. Manager Steve Buck and Kathleen Shade from Property Management Services were present.
- III. Waiver of Notice and Establish a Quorum
A. All Board Members present, signed the Waiver of Notice.
B. With five Board Members present, a quorum was established.
- IV. Adjourn into executive session
A. The Board discussed matters relating to enforcement of the association's governing documents in relationship to the Board Members responsibilities.
- V. Adjourn Executive Session at 8:50 A.M. reconvene in Open Session at 9:00 A.M.
- VI. The Board reviewed the draft notes taken at the June 27, 2006 Board Meeting, for the purpose of approving them as Minutes of that meeting.
A. A MOTION was made, (Chuck) seconded, (Michael) and unanimously approved to adopt the draft notes as Minutes of that meeting.
- VII. Manager's Report
A. The Financial Reports
1. The Manager reviewed a breakdown of all accounts receivable, as noted below:
a. Total amount due for assessments & late fees ---- \$67,631.47
(1) Total late fees due \$41,964.49
(2) Assessments for 2006 alone \$14,965.52
(3) Assessments for prior years \$10,014.60
2. The Board reviewed the collection letter created by the Association's attorney.
3. The Board reviewed the Operating Account Bank Statement and Check Register for June, July and August 2006.
a. There was a request that, for the next Board Meeting, a breakdown of the invoice for check number 1952 to attorney Geri Miller, be provided.
4. The Board reviewed the Actual Expenses Month by Month Report.
5. The Board reviewed the Actual vs. the Budgetary Expense Report.
6. The Board reviewed cash flow projects for the balance of the year.
a. A question was raised over why the Manager purchased one CD for 90 days for \$75,000 instead of purchasing one CD for \$50,000 for 90 days, and one CD for \$25,000 for five months. The Manager said he would have an explanation for the next Board meeting. (The reason why the 2nd CD was not purchased was at the advice of the bank that rates would be rising, and at the expiration of the 90 days, the \$25,000 could be invested for two months at a higher rate, than if it was invested at the same time as the \$50,000. As a result the rate at the \$75,000 was invested at 4.40% while the CD rate had increased to above 5% after 90 days)
b. The Manager reviewed with the board that the cash flow report demonstrated a need for \$50,000 to cover expenses over the last quarter of the year.
c. The Board directed the Manager to transfer \$50,000 from the \$75,000 CD that matured on 9/28/06 to the Operating Account and to invest the remaining \$25,000 in a CD.
7. The Board reviewed the bank reconciliation report for August, 2006.
a. There was a question regarding the account balance used for the reconciliation, which was recorded as the balance of the account on August 31, 2006, (\$30,131,17) and the Cash Flow Report, which had a slightly different balance, as of August 31, 2006. (\$30,332.45).
8. The Board reviewed the bank statements for all savings accounts.
9. The Board discussed why it has taken so long for some of the signs to be replaced. The Manager discussed that we may need to spend the money on better quality signs. The Manager also stated that if someone finds a sign the best thing to do would be to leave it at the base of the pole.

- B. Conditions, Covenants and Restriction (C. C. & R's) Enforcement efforts.**
1. The Board shared with the membership the general update on the 7 properties that have been cited.
 2. The Board discussed in general terms, without identifying any lots nor owners names, their effort to enforce the C.C. & R's against the 7 properties that had been reported by the membership as being in violation.
 3. Four violations were corrected, two are being corrected, one owner has not responded and the Board had a hearing scheduled with that owner at 11:00 A.M., September 29, 2006, as part of this meeting.
- C. Road Maintenance Report**
1. The Manager provided the grading map for June, July and August.
 2. The Board reviewed the work order requests for emergency services.
 - a. The Board reviewed the "Completed" Road Grading Work Order Report and the "Open" Road Grading Work Order report.
 - b. The Board discussed the status of Cheyenne Rd and Rawhide Rd.
 - (1) It was suggested, and the owner involved (Mary Bogess) agreed that the Association should NOT proceed with a multi-thousand dollar "fix" that could very easily be completely removed if the wash, just off Alamo, were to run with any significant flow. Instead it was suggested that the Association simply add both roads to the "Emergency Road Grading Schedule" which is an unofficial record of roads that are considered and evaluated after major storms for their condition based on usage and close proximity to occupied parcels.
 - (2) The Manager will prepare more information on this program for the next Board meeting.
 - c. Report on Monsoon Season 2006
 - (1) All went well, with minimal impact from the seasonal storms, until Labor Day. Starting one week before, and ending two weeks after Labor Day portions of the entire valley were hit with storms producing large volumes of flood waters that had the greatest impact on the South East portion of the valley.
 - (2) Joan Johnson added that owners need to be patient and realize that we have 500 miles of roadway to take care of. Owners need to call The managers office with the repair request and it will be fixed but necessarily the same day. It will get done faster by calling The managers office instead of one of The Board Members.
 - d. Report on Full Grade Project that started this month.
 - (1) The 2nd Full Grade Project for the year has started with roads East of Alamo. The graders will then start in the South East corner and work towards the North West corner as they make a single pass over all road surfaces.
 - (2) As part of this process they will be making notes on the general condition of the roads for the purpose of returning to make the necessary repairs after the Full Grade Project is completed.
 - e. 2007 Road Grading Program.
 - (1) The 2007 Road Grading Program was presented. The project parallels the 2006 project except for deleting the consideration of aprons or culverts in the 2007 proposed program. Efforts during the time in between the full gradings will be used to open up roadways to allow flood water to move across the roadways, rather than adding more ditching. Once the flood water is moving through, the Association can return to adding ditches in the areas between the crossings, where the washes move across the roads.
 - (2) The manager suggests that we take a more reactive approach to the grading of the roads instead of a proactive one which is outlined in the 2007 Grading Program.
 - f. Ten Year History of Road Grading was presented for the record.
 - g. One owner asked if it was possible that an owner request that there road is NOT graded because the road is already in good condition. The short answer was no, because we cannot have owners maintaining there own roads for liability issues. Also, there is always the possibility that another owner living on the same road would complain that it was not graded. We are also bound by the contract to grade every road once a year.

3. **Status on the County take over of Santa Fe Ranch Road and Butch Cassidy.**
 - a. **The County is still addressing whether they will accept these roads. Joan Johnson stated she also wants to recommend the county "take over" of all Santa Fe Ranch Rd. instead of just the short distance from Butch Cassidy to Alamo Rd. as is currently proposed.**
 - b. **If the two roads are taken over by the county The Board will discuss how to allocate the money that will be saved by not having to grade Butch Cassidy and part of Santa Fe Ranch.**

D. Correspondence

1. **Michael & Tamara Ellis (Road Conditions)**
 - a. **The owner was present and submitted a letter to the Board of Director's requesting the Association purchase a grader and hire a person to do the Association's grading exclusively.**
 - b. **The manager will talk with the road crew about some other options to do be done on Santa Fe Ranch Road because many owners, including the board members, are unhappy with the current conditions.**
 - b. **The Manager agreed to put together a short report that outlines the expenses associated with owning a grader, and the costs of the necessary employees that would be required if the Association were to take over the grading.**
2. **Ron & JoAnn Holland (Road Conditions: Parked his car in front of grader)**
 - a. **The manager will send a letter to the member and explain the procedures and policies for the contract with the road maintenance crew.**
3. **George & Kathy Martin (Asking for Board "approval" to install a wind mill generator)**
 - a. **This issue is not part of the Association's responsibility and a letter will be sent to the owner explaining this point.**
4. **Doug & Megan & Brendan Stephan (Dispute over late fees)**
 - a. **The Board is requesting more information from the owner.**
5. **Tamera Bourne (Asking for late fees to be reduced in half)**
 - a. **A MOTION was made, (Chuck) seconded, (Hal) and unanimously approved to deny the late fee waiver request.**
6. **Terry A. Liebert- Tousey (Asking for late fees to be waived)**
 - a. **A MOTION was made, (Chuck) seconded, (Hal) and unanimously approved to deny the late fee waiver request.**
7. **G. John Camaj (Asking for late fees to be waived)**
 - a. **A MOTION was made, (Chuck) seconded, (Hal) and unanimously approved to deny the late fee waiver request.**
8. **Jack Mafara's attorney (Asking for late fees to be waived)**
 - a. **A MOTION was made, (Chuck) seconded, (Hal) and unanimously approved to deny the late fee waiver request.**
9. **Dennis Corbett (Asking to waive late fees-statement of acquiescence)**
 - a. **A MOTION was made, (Chuck) seconded, (Hal) and unanimously approved to deny the late fee waiver request.**
10. **Johnetta Ford (Asking for the Board to waive late fees)**
 - a. **A MOTION was made, (Chuck) seconded, (Hal) and unanimously approved to deny the late fee waiver request.**
11. **Paul F. Eckert (Not sure of the purpose) (The Manager provided a response that the Board reviewed.)**

VIII. New Business

A. The Road Committee Report

1. **The Members of the Committee (Chuck and Hal) provided the Board with copies of a Road Maintenance Manual. Chuck Bennett gave a general description of the Road Committee and the goals and agenda of the committee.**
 - a. **The Board requested the Minutes for the committee meetings be submitted.**
 - b. **The Board requested that members of the Committee go over their manual with Steve Buck and Lawton Cavalier for additional comments before bringing it back to the Board for review.**
 - c. **Part of the proposed plan is to have the sub-division divided into four quadrants, with each quadrant assigned a "Captain" who would take input from owners in their**

regarding specific area road conditions. These conditions would then be documented for future evaluation, as part of a review of the general condition of the roads.

- d. It was made clear that this effort is not designed to remove any portion of how the road grading is presently being handled; it is being suggested as a review process only, outside the day to day process.
 - e. It was also made clear that the order of reporting a road repair issue would remain the same and the Road Committee would only follow up on complaints to ensure they have been satisfied. Owners would still call Kathleen at the Managers office with the initial complaint.
 - f. The priority of the proposal is to collect information from the owners and create a sense of accountability for road repairs.
 - g. A MOTION was made, (Chuck) seconded, (Jeremy) and unanimously approved to accept the Road Committee Proposal in so far that the Committee will meet with Lawton and Steve and then return to the Board for authorization to implement the effort for a six month test period.
2. The Members of the Committee discussed adding Juniper to the "Eight Road Monthly List", making it a "Nine Road Monthly List".
 - a. This discussion was tabled until the County makes a decision regarding the responsibility of Santa Fe Ranch & Butch Cassidy.
 3. Discussion on the Road Grading contract, it's expiration and re-bidding process.
 - a. The current contract will expire in December, 2007. Before that time the Board will design a request for bid package to be sent to all interested parties.

IX. SCHEDULED 11:00 A.M. HEARING WITH AN OWNER WHO HAD UNRESOLVED C.C.& R . VIOLATIONS.

- A. The owner was not present, so the Board resolved to conduct the hearing in an Executive Session following the Open Session.

X. New Business Continued

A. Grazing Rights:

1. The Board discussed the impact that grazing rights have on members of the Association.

B. The Board discussed the benefit vs. detriment of cattle guards which was tabled from the last meeting.

- a. Michael Sawhill explained that there are no current leases between the Developer and the ranchers involving any grazing rights.
- b. Any damaged cattle guards need to be reported to the Manager to be addressed by the Board.
- c. It's important to note that there still are several sections owned by the State of Arizona that may have grazing right leases in place, for these sections only.
- d. Michael Sawhill explained that the Board could make a formal request to remove some of the cattle guards if they wish to do so. He would then consider that request.
- e. Michael Sawhill also offered the knowledge about the fencing issue regarding state lands within or bordering Stagecoach Trails land. The maintenance of the fences falls on the land owner and not the rancher. If a rancher has grazing rights on the state lands but the fence is not maintained that borders private land, the cattle can legally roam onto private property.
- f. Our grazing rights are the same as The Open Range Law.
- g. Currently there are State Lands that currently have cattle leases within or bordering Stagecoach Trails. The cattle in the Stagecoach area is due to the fences being down/broke.

C. Results of the Hal Fisher – Steve Buck meeting on handling Association finances. This discussion was tabled from the last Board meeting.

1. Hal confirmed that the meeting between he and Manager Steve Buck went smooth and he is satisfied with how the finances of the Association are being handled.

D. Audit for 2006, to be done in 2007

1. The 2005 Auditor, Ron Porter, asked the Board if they would be willing to determine if his services would be utilized for next year's audit so that he could make arrangements to randomly select owners receiving their annual billing in December, of this year, as part of his audit procedures.
2. The Board didn't make a decision regarding his specific services, but instead directed the Manager to seek bids from other auditors in response to Ron Porters comments that he anticipated the fee for next year's audit to increase significantly.

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- E. Audit for 2005 is complete.
 - 1. The Board Members received a copy of the audit report.
- F. The Board discussed how the Association intends to handle the "Special Assessment" payments that have been received, in light of the fact that the Special Assessment effort was not successful.
 - 1. A MOTION was made, (Mike) seconded, (Chuck) and unanimously approved to refund back to the owners any special assessment payments that were paid in.
- IX. Board Member Input
 - A. Joan brought up the date February 17, 2007 which will be the tenth anniversary of Santa Fe Ranch, and the possibilities of doing a special event on the property for the Annual Meeting.
 - B. Michael suggested that the Board address the budget, dues and nominating committee at their next meeting.
- X. Santa Fe Ranch Property Owner Input
 - A. An owner brought forward a concern with the Mohave County Matrix Plan. The Board discussed the plan briefly. The consensus was that the Matrix Plan was not applicable to Stagecoach Trails.
- XI. Next Meeting of the Board of Directors
 - A. The next Board meeting will be on October 23, 2006 at 1:00 P.M. at the Yucca Fire Station. The Board will be preparing the budget for 2007.
 - 1. Any material to be included in the Board Member Packet, must be submitted to the Manager no later than October 11, 2006.
 - B. The Board meeting following October 23, 2006, will be on January 5, 2007 at 9:00 A.M. at the Yucca Fire Station.
- XII. Adjournment
 - A. There being no more business to come before the Board, the Closed Session was adjourned at 12:15 P.M.
- XIII. Convene in Executive Session
 - A. The Board discussed the property owner that has not responded to the letters regarding violations.
 - B. The Board directed the Manager to proceed with the letter from the attorney advising the owner involved of the procedure to be followed by the Association, if the owner refuses to comply.
 - 1. This would involve the owner who is storing vehicles on his property and the owner living in his property without a septic tank.
 - 2. The Board also requested that the Manager follow up with the owner who complained of a violation that could only be observed from an adjoining property.