

**Long Meadow Ranch
Property Owners Association
Annual Meeting, April 26, 2003**

Long Meadow Ranch Property Owners Association held its Annual Meeting Saturday, April 26, 2003, from 9:00am to 12:55 pm, at the home of Bill Hillebrand, vice president, 10685 W. Wild Horse Run, Prescott, Arizona 86305.

Association members attending in person were: Jerry & Sue Alvis, Ray Beckage, Casey & Wendy Buitenhuis, Marsh & Mary Carpenter, Judy Conwell, Neil & Paula Cooperrider (2 parcels), Paul & Claudia Critchfield, Jack & Donna Donoghue (2 parcels), Bob & Barbara Elk (2 parcels), Bill & Betty Foley, John & Kathy Glimpse, Dan & Mary Jo Gugelman, Jack Hansen, Michael & Fay Hays, Bill & Kathleen Hillebrand (2 parcels), George & Marie Price, Herb Roberts, Lynn Stoppe, Ray Sucato, Miramae Welch (2 parcels), Herb & Paula York (3 parcels) for a total of 28 votes. As they signed in on the membership register, attending members received election ballots; copies of the trail plan with sample trail easement and agreement attached; proposed road survey; and ballot for proposed annual meeting date change to CC&Rs and By-laws (if they had not yet returned the mail card ballot).

Those attending by proxy were: Barbara Butterfield (2 parcels), Michael & Dawn Chaney, Robert & Karen Eckhoff, Mark & Kristine Hoefler, John & Brenda McDonald, Scott & Karen Robertson (4 parcels), Ronald & Lara Runger, George & Judy Sara, Karl Seiler, Stan & Shari Stansauk, Steven & Sheryll Wyman, for a total of 15 votes.

A total of 43 of a possible 66 votes were represented by 32 members attending in person, or by proxy. 19 members, together having a total of 23 votes, did not attend or send a proxy.

Board President George Price declared that a quorum was present (in person or by proxy), and announced that 10 proxies were held by the Board, 4 by Bob Elk, 1 by Herb Roberts.. He asked everyone present to introduce themselves. Marie Price and Paul Cooperrider would tally the written ballots.

Minutes of the 2002 Annual Meeting having been mailed with the Notice of the 2003 Annual Meeting, reading was dispensed with. They were approved as mailed.

Treasurer's Report:

Bob Elk reported on the Year 2002 budget, through 12/31/02. We realized \$460 income from the post office boxes being held over for new residents to purchase, and earned \$268 in interest and transfer fees. He explained the entries for the special assessment for Tonto Road paving, and the recapture of the special assessment lien and legal fees of \$512. The assessment for Tonto Road exceeded the cost and most of the refunds were given in 2002 as a credit on year 2003 dues. Some refunds have been given in 2003, as a credit to those paying dues after the beginning of 2003. The funds budgeted for road improvement in 2002 are carried over to year 2003 and will be spent in May. There is a new expense item, of \$64 for the web page, whose development was begun late in 2002.

The treasurer then explained various income items in the proposed 2003 budget (which has been in effect since January 1, 2003). There are two mailboxes left to be sold; other income from interest and transfer fees is estimated at \$200. There are two new income items, \$3,000 for trail implementation and \$500 for the social committee: the budget anticipates that both activities will be self-sustaining, the income balancing the expense of equal amount. The carryover income item of \$17,051 from year 2002 includes the unspent road improvement funds.

Under expenses, the items office supplies and postage/printing have been pulled out of miscellaneous, to better track them; newsletter and membership materials expense item has been increased to account for previously unreimbursed actual expenses. Professional fees budget item is increased from \$1,000 in 2002 to \$1,250 in 2003. Road improvement budget item

of \$21,000 is the sum of year 2002 and 2003 budget items, \$10,500 each. The expense item of \$2,719 paving road refund is due as a credit to parcel owners who have not yet paid their dues. The web page annual budget item is \$250. Trail implementation and Social committee expenses balance income, as explained above. This year, the Board designated that \$7,500 of the carryover funds should be identified as Reserve/emergency fund.

During discussion, it was pointed out that changing the date of the annual meeting to the fall would allow the membership to vote on the proposed budget before it was put into effect. Currently, the budget is proposed when we are over one-quarter of the year into it. The treasurer's report was approved. Report is attached.

REPORTS

Roads: Bill Hillebrand, roads committee chairman, reported that Yavapai County had paved Tonto Road, along with the portion of Fair Oaks Road leading to Tonto which had been dirt road, during July – Fall, 2002. Striping of Tonto will be done during May-June 2003. Speed limit signage has been installed, including a full three-way stop at the intersection of Fair Oaks and Tonto. We have requested, and the county has agreed to install equestrian-pedestrian-bicyclist signs. Asphalt on the low water crossings on both Tonto and Fair Oaks was put on after the chip sealing was completed. Some low water crossing sections have already needed repair.

LMRPOA private roads had occasional maintenance from April 2002 through February 2003. We hired John Knight to grade at approximately 60-day intervals. The road committee considered the merits of different ways to upgrade the roads and decided to contract with ETC, a professional consulting firm, for analysis of the existing roads and suggestions for improvement. ETC took samples, did lab tests, sent the Board a comprehensive written report, and met with the Road Committee, Board members and Association members to review the findings. As a result of this meeting, the Board decided to use the ETC report as a guideline for upgrading the roads.

In February, a 2-1/2 day rainstorm, followed by a 3-day snowstorm, thoroughly saturated the roads, making some all but impassable. A short-term project to upgrade parts of Stephens, Walking Y and Wild Horse Run, 1.6 miles, began with requests for bids from four contractors: APS, FANN, Joe Dirt, and John Knight. The budget was limited to \$21,000, all of the road upgrade funds from both the year 2002 and 2003 budgets. The lowest bid, \$33,000, from John Knight, was over budget

To stay within budget, John Knight revised his bid. He will place a 16' strip of material, 2 to 3 inches deep on Stephens from Tonto to Walking Y and then for a short distance on Walking Y. Also, a 12' strip of material, 3 inches deep, will be put on Wild Horse Run from the bottom of the hill to the top. The project will begin in May.

Bill Hillebrand also reported that his primary purpose in being on the Board had been to complete the Fair Oaks/Tonto Road chip seal project (with Yavapai County), with the secondary purpose of having our roads upgraded to county standards. Throughout the year he recommended that the roads be upgraded with material recommended by the county. Until the recent rains and snowstorms the Board did not act on the suggestions.

Bill's primary concern has always been to have safe, passable roadways in all kinds of weather. His report ends with the recommendation that we should upgrade the roads to county standards, which would mean hard surface roadways. It would be a costly project but we would have a safer and more reliable roadway and once it is turned over to the county, no cost to us. We should begin with Wild Horse Run, then Stephens, then Walking Y, then Long Meadow and North Antelope. He believes there are acceptable ways to finance a project of this size.

Water: George Price had sent the Water Report with the Notice of Annual Meeting. He advised that professor Abe Springer of NAU would be discussing a study of the Williamson Valley water supply at a meeting in Prescott on April 30th.

Architectural: Bill Foley displayed a map showing that 56% of the properties are now built out. He said that the architectural chairman serves as liaison between members submitting building and site plans and the Board, which serves as the Architectural Review Committee. Bill reminded

members that we need complete submissions, with all the items listed in the guidelines, including a count of the structures contemplated. Now that the perimeter easements have been turned over to the Association, we will also need fence plans.

In discussion, he was asked what happens when construction begins without plans being submitted. The Architectural Review Chairman asks for the information after the fact and usually does get it. Our enforcement right is to take the member to court.

Social: Bill Foley was also chairman of this new committee, which was organized to plan monthly fun things for the membership. He reported that activities had included the brunches; LMR 101 Classes, in horse care and computer skills; the Shooting Club; and Poker Night. Single events had been the Chili and Soup Cookoff sponsored by LMRPOA, challenging Crossroads and Hootenanny Holler, to benefit the Williamson Valley Fire District; a moonlight horse ride; the Superbowl horse ride and party; and the Annual Meeting dinner get-together that night at Kirkland Steak House. The next LMR 101 class would be a roping clinic, taught by Jose Estrada of Long Meadow Ranch.

Newsletter and Member records: Bill Foley announced that a new issue of the newsletter has been produced and that he has sent an e-mail notice that the newsletter is now on our website. Hard copies are being mailed to those for whom we do not yet have an e-mail address. The telephone directory has been updated. Phone numbers are not on the web site. When it was pointed out that Board members phone numbers were in the newsletter, Bill said he would have them removed from the newsletter on the web site.

Insurance: Mary Carpenter reported that our package insurance policy has been bound for renewal on April 27th, with the same company, and with the same coverages and policy limits. We did not request bids from several companies because of the tight insurance market, but we may do so next year. General liability, hired and non-owned auto liability, and directors and officers liability limits are each \$3,000,000. The bond is for \$100,000. We are negotiating with the company to have the premium priced the same as last year. The quote was for a \$250 increase. If that price stands, we will still be within budget.

The workers compensation policy has also been renewed, for a minimum premium.

This year we instituted a procedure of requiring from contractors a certificate of insurance naming Long Meadow Ranch Property Owners Association as additional insured as respects work performed. We also request a photocopy of the contractor's workers compensation policy, to guarantee that it is in effect.

The trails committee chairman asked Mary to obtain a quote for trails liability insurance. We did get an indication from the Equestrian Group for coverage at limits of \$1,000,000 for a premium charge that works out to about \$11 per parcel. Details would be included in the trails committee presentation.

In discussion of the insurance report, members asked why we needed workers compensation insurance. Mary explained that if we had a contractor working for us who did not have insurance when he was injured, Arizona law would consider he was an employee and we would be responsible for his medical costs. The policy has just a minimum premium, and it is prudent to have it.

Discussion of liability insurance, which covers negligence, centered on the difference between unintended harm, "negligence", and situations which we know could lead to harm, which is "gross negligence" and not covered by insurance.

Web Site: Barbara Elk, the webmaster, reported that the site has been set up. Links to other sites are put on our site only after a decision by the Board. We have just added a "worthy causes" section, again these items must first be approved by the Board.

Ballot to change the annual meeting date: The president announced that the ballot counters, Marie Price and Paula Cooperrider, would be counting the post card ballots and the annual meeting ballots of those who had not returned the post card ballots. The CC&Rs require a

positive vote of 75% of the total property ownership, or 50 votes. The By-laws require two-thirds of the membership, or 44 positive votes.

Audit:

Neil Cooperrider and Miramae Welch were the audit committee, and had examined the files of the treasurer, the secretary, and the various committees. All of the returns and reports in the treasurer's records are complete and timely. The records are complete. The secretary's meeting minutes were detailed and complete. The correspondence file, organized chronologically, was complete.

The audit committee reported on the records of the following committees, kept by the secretary. The Road committee correspondence file was complete. However, signed contracts for road maintenance, research and improvement with ETC and Flying B Ranch could not be found. Architectural committee's records of submitted plans and approval letters were incomplete; some plans missing, some approval letters missing, no list of plans received. There was no indication that last year's audit committee recommendation to prepare documentation for plans submitted in the past but without current documentation had been followed. Insurance file was complete, with exception of policy for 4-27-2003-2004. Legal correspondence file was complete, but the contract for legal services, Attorney Huber, was missing. Correspondence files for other committees were complete and well organized.

Audit Committee recommended:

- **There should be a separate file containing signed copies of all contracts, liens and policies entered into by LMRPOA; all certificates of insurance (workers comp, liability, sole proprietor waivers); all legal documents including transfers of easements, transfer of roads, changes in CC&Rs; and all legal opinions provided to LMRPOA.**
- **The Architectural Committee should prepare a complete list of plans submitted and approval actions; a file with all signed and dated approval letters including a 8 ½ x 11 summary page of each plan; statements from existing or past board members where possible, when individuals can attest to plans having been reviewed and approved previously by the board, where no documentation currently exists in the files of the committee to prove that plans were reviewed and approved.**

OLD BUSINESS

Trail:

Bob Elk reported that the purpose of the trail plan, on which the Board has been working for years, is to permit owners and their guests to walk and ride horses through the development along property lines and to permit easier access to the National Forest. The trail plan developed represented compromises and concessions from parcel owners to reach agreement on a single plan, which was approved by the 2002 Annual Meeting.

During the past year, the trail committee researched the existing easements for every parcel, and had legal counsel create a document transferring the existing easements held by Long Meadow Ranch Inc., creators of this subdivision, to the property owners association. This document has been signed by both LMR Inc. and First American Title, the title company involved with the development. The transfer document has been recorded. In addition, a template document was prepared with legal counsel, to create easements for each trail segment. A copy of the trail plan, with the template document attached was distributed to the meeting.

The next step is to have each parcel owner who will have a segment of the trail plan agree to give to LMRPOA an easement for the trail in exchange for LMRPOA abandoning all the other easements that exist on the parcel. Each owner will be approached to sign the documents to define the trail easement and to abandon the other easements. Both documents signed by the owner will be recorded at the same time. The cost, approximately \$50 per parcel, will be borne by the parcel owner, who will be agreeing to a 10-foot easement in exchange for the abandonment of the other 25-foot easements.

Bob advised that the general membership will need to decide upon actions to be taken concerning existing fencing which violates the existing easements. The association, not the board, can decide among the following options:

- Do nothing other than writing a letter yearly, explaining the violation, thus preserving the easement rights for the future;
- Levy a fine for the violation; if not paid, place a lien on the property;
- Remove the fence and charge the owner for the removal; if not paid, place a lien;
- Take the owner to court for violation of the CC&Rs, to have the fence removed.

The committee has also investigated trails liability insurance. Although there is an Arizona statute (33-1551) limiting liability of private owners and easement holders for recreational use of land, the protection does not apply in cases of "willful, malicious, or gross negligence". The insurance coverage would cost roughly \$650 per year, giving protection over and above the state statute protection. The insurance policy would also cover equestrian events that the social committee intends to hold during the year. Bob pointed out that there exists some measure of liability to all of us now; creating the trail plan is not increasing the liability; obtaining the insurance will decrease the liability.

In the lively discussion which followed, various questions were asked:

- Why did some parcels have no easements?
- Who would be responsible for digging up bushes in the trail?
- Whose responsibility is maintenance of the trail?
- Will this be part of the public trail plan? The answer, No.
- What if a new owner was unaware of the existence of the easements?

The next step will be to have a discussion with each property owner affected by the trail plan, and to make the trail plan a reality this year.

MID MORNING BREAK Since there had not been sufficient reservations for lunch following the annual meeting, the luncheon had been cancelled and reservation payments returned. Various Board and community members had provided more than enough coffee, juice, bakery goods, fruit, salad, and chili, available both before the meeting began and during the mid-morning break.

NEW BUSINESS

Budget: It was moved and seconded to approve the proposed budget for Year 2003. It was approved by voice vote.

Proposed Change to CC&Rs and By-Laws, to change date of Annual Meeting: The ballot counters announced the amendments had been approved in a combination of post card ballots and annual meeting ballots in person or by proxy, by a vote of 51 to 1.

As the result of this change to the Association's governing documents, there were two motions presented:

- **It was moved, seconded, and approved by voice vote to hold the Annual Meeting between the dates of October 15 – November 15, thus allowing approval of the annual budget in advance of its implementation.**
- **It was moved, seconded, and approved by voice vote that the three Board members whose term would expire in one year would serve until the next Annual Meeting, held in 2003, and that the new Board members would serve until the Annual Meeting in 2004.**

Roads: There were no motions to do something specific about road upgrade. Instead, the president had prepared a survey which he asked those attending the general meeting to complete. It gave various options and the estimated cost of each.

George explained that the basis of the costs was to take three bids from contractors, based on the ETC specifications, for 1.6 miles of roads, 16' wide on Wild Horse and 20' wide on Stephens, and to expand the quotes to all of the private roads, 24'wide. The bids based on ETC specs

ranged from \$27,000 to \$50,000 per mile. To the final cost he added a ten percent markup. The basis of the asphalt road cost was extrapolated from the winning bid on a project in Flagstaff which had roads equivalent to ours. That estimate is for a \$2,000,000 to \$5,000,000 cost.

The options are:

- Keep roads as they are; no special assessment, no increase in dues;
- Put 3" gravel on 2.5 mi. roads which need it most, est. cost \$1000-\$1500/parcel;
- Put 3" gravel on 4 mi. roads, est. cost \$1600-\$2400/parcel;
- Put 3" gravel on all roads, est. cost \$3000-\$4500/parcel;
- Put 5" gravel on all roads, est. cost \$5000-\$7500/parcel;
- Pave roads to county standards and petition county to take over roads, est. cost \$30,000-\$78,000/parcel

In discussion, it was pointed out that ETC said county standards for dirt roads do not exist; most of the research has been on paved roads. Since all of the road upgrade funds for this year will be spent in May, a decision to do anything further also involves either having a special assessment or raising the dues. Several members felt we should find financial options before we had a definitive vote on the options presented in the survey. The survey will be sent to members not attending the meeting and the Board will report the results to the membership.

Other Business:

Proposed Addition to the CC&Rs: Bill Foley reported that several parcel owners are contemplating transporting water from their parcels for commercial use. He asked if the membership would support an addition to the CC&Rs prohibiting such practice. An amendment to the CC&Rs requires a 75% affirmative vote by the parcel ownership.

It was moved, seconded, and approved by voice vote that the Board draft an addition to the CC&Rs prohibiting the transport of water for commercial use, such addition to the CC&Rs to be voted on by the membership.

West Nile Virus: Miramae Welch reported that West Nile virus is transported by birds, to mosquitos, and from them to horses and to people. Breeding sites for mosquitoes are any standing water. A small amount can incubate mosquito larvae: flower pot saucers, pet water bowls, bird baths, tires, stacked flower pots, leaky faucets, depressions in the grass where water will remain for a short time. Yavapai County does not have a mosquito abatement policy; it will be up to individual property owners to eliminate standing water and to aerate and treat ponds.

Ray Beckage reported that he and Toby obtain a bacterial agent which disrupts the mosquito larva cycle. (Bt israelensis), Bill Hillebrand reported that Barbara Butterfield had advised him that she would be treating her pond on a regular basis. Members expressed concern about three dirt tanks for stock within close proximity to our development, and about two metal stock tanks located within the community. Information about the various remedies will be included in the next Newsletter.

LMR Yahoo Group: Herb York advised the membership that there is now an LMR Yahoo Group on the internet.

Abandonment of Easements: Ray Beckage moved that abandonment of all of the easements be an option in the trail plan. There was no second to the motion.

Roads Upgrade: The road committee asked for volunteers to run the rollers in May, when John Knight does the scheduled road improvement project.

Election of Five Board Members: The ballot counters reported that all of the candidates for the Board were elected: Casey Buitenhuis, Mary Carpenter, Kathy Glimpse, Debbie Roberts, and Jim Wallace.

The next general meeting will be held in the Fall of 2003, The meeting adjourned at 12:55pm.

Mary Carpenter, Secretary

