

Elk Valley Ranch Property Owner's Association

P.O. Box 14198 • Tucson, Arizona 85732 • Phone: 520-623-2324 • Fax: 520-722-5039

Notice of 2015 Annual Meeting

June 01, 2015

Dear Member:

The 9th Annual Meeting of the Elk Valley Ranch Property Owner's Association will be held at a different location than previous years, as follows:

DATE: Saturday, July 11, 2015

PLACE: Holiday Inn Express
151 W. Deuce Of Clubs
Show Low, AZ 85901
Phone: 928-537-5115
<http://www.ihg.com/holidayinnexpress/hotels/us/en/showlow/shwaz/hoteldetail>

TIME: Registration/Check-In begins at 9:00 AM
Call To Order at 9:30 AM

Please note that while every owner is urged to attend, only those up-to-date with annual dues assessment are permitted to vote.

Show Low is located in the White Mountains, approximately 60 miles (1½ hours) Southwest of Elk Valley Ranch. It is about 175 miles (3½ hours) Northeast of the Sky Harbor Airport in Phoenix, AZ. The Holiday Inn Express is located near the middle of town on Hwy 60 (Deuce of Clubs), adjacent to the Post Office, with other hotels, restaurants, and fast food nearby. There are several room types to choose from. Room reservations can be made by calling 928-537-5115. Alternative lodging may be available close-by at: Best Western-Paint Pony Lodge, 581 W. Deuce of Clubs, Show Low. Phone: 928-537- 5773; Hampton Inn & Suites, 1501 E Woolford Rd, Show Low. Phone: 928-532-4444

AGENDA

2015 ANNUAL MEETING

EACH OWNER PLEASE SIGN IN WITH NAME AND LOT NUMBER

0900—Coffee, juice, fruit, sweet rolls, and meet your ‘neighbors’

0930—Meeting begins

1. Call to Order/Establish Quorum
2. Proof of Notice of Meeting
3. Introduction of New Board Member
4. Review of 2014 Annual Meeting Minutes
5. Report of the Board
 - a. Nominating Committee Report
 - b. Treasurer’s Report
 - c. Road Committee Report
 - d. President’s Report
 - i. Efforts to reduce non-payment of annual dues
 - ii. Wood poaching and property security
 - iii. Kinder-Morgan Update
 - iv. Shooting on EVR properties
6. Announcement of the Vote for Annual Minutes approval and Board of Directors*
7. New Business
8. Question and Answers
9. Adjourn

Reminder: Right after a short break, the new Board of Directors will have their first meeting. Everyone who owns property in Elk Valley Ranch is welcome to stay for this meeting.

*Pursuant to A.R.S. 33-1812, all voting must be done via written ballot. You may vote by bringing your Ballot to the meeting, or mail your ballot in the enclosed envelope. Only votes from lot owners who are not delinquent in annual dues payments will be counted.

Please mail in your Ballot even if you are unable to attend the meeting. Ballots help establish a quorum.

EVRPOA 8TH ANNUAL MEETING—MINUTES – (Not Yet Approved)

Eighth Annual Meeting of Elk Valley Ranch Property Owner's Association held on 07/26/14 at The Hampton Inn, 1501 E. Woolford Rd., Show Low, AZ 85901.

Board Members:

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

Not Present: Chuck Clark, Vice-President (resigned)

Quorum present: Yes

Others Present: Approx. 16 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 Notice of Annual Meeting and Certificate 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 were mailed to all property owners at their address of record by Platinum Management on June 18, 2014.

C. Review of 2013 Annual Meeting Minutes:

Minutes from the 07/06/13 Annual Meeting were included in the Ballot Packet/meeting notice and there were no questions asked of the Board regarding the minutes.

D. Report of the Board:

- 1. Nominating Committee:** CJ reported that the Nominating Committee had mailed and posted on the website a Call for Volunteers notice in May. Subsequently, the Nominating Committee placed 2 existing Board members and 1 new proposed Board member up for election/re-election.
 - a.** CJ stated that more Board members were needed as there are currently just 3 (which is the minimum) with Joe Hindman not seeking re-election.
 - b.** CJ explained the details of Board membership, i.e. attend 4 BoD meetings per year plus the Annual POA meeting; mileage reimbursement (from home or EVR property—whichever is less--to meeting place and back); and mostly communicate by email or telephone.
 - c.** CJ stated that the possibility exists that EVRPOA may have to transfer responsibilities to Platinum Management if we are unable to find more Board members. This is only a last resort option.
 - d.** CJ reminded everyone of the limited responsibilities of the Board: To collect fees, to maintain the common areas (roads) of EVRPOA, to assure compliance with the CCRs, and to deal with legal issues (such as liens and dues collection). The Board does not get involved with disputes between neighbors, nor Kinder-Morgan issues (unless it involves EVRPOA roads).

2. Treasurer's Report:

- a.** Joe reviewed the latest EVRPOA Financial Statement of May 2014 which was provided to all property owners in the Annual Meeting mailing packet, as follows:

ASSETS:

Wells Fargo Operating	\$ 43,438.98
Wells Fargo Reserve	79,674.27
Wells Fargo CD	<u>21,617.97</u>
Total: Checking/Savings	\$144,731.22
Accounts Receivable	(509.94)
Undeposited Funds	<u>0.00</u>
TOTAL ASSETS	<u>\$144,221.28</u>

LIABILITIES & EQUITY:

Current & Long-Term Liabilities	\$ 0.00
Equity	
Opening Balance Equity	50,778.12
Retained Earnings	51,893.21
Net Income	<u>41,549.95</u>
TOTAL LIABILITIES & EQUITY	<u>\$ 144,221.28</u>

- b. Joe explained that we budget approximately \$40,000.00 per year for road maintenance and repair.
- c. Dues for 2014 will remain at \$160.00 per lot per year.
- d. A property owner stated that a dues check sent to Platinum took 3 months to clear the bank. The Board took this issue under advisement.

3. Road Committee Report:

Chuck Clark was the Road Committee Chairman, but unable to attend, therefore there was no formal Road Committee report. CJ checked Unit 3 and a partial check of Unit 2 just prior to the annual meeting and reported no problems. The main issue is the County road 6001 and the rancher's road that is not part of EVR, and thus we have no jurisdiction over it. Joe stated that Unit 1 was ok, but the county was leaving large rocks in the roads that they maintain.

4. President's Report/Old Business:

a. Final CC&R's vote results:

The Board and EVRPOA's attorney performed due diligence to update the CC&R's. The following issues were addressed, reviewed at last year's POA meeting in detail and then sent out to the membership for a vote. The major issues were:

- 1 lot = 1 vote to replace the current acreage formula.
- Cleaning up language mostly to remove reference to the 'Declarant' since this term refers to the original developer who turned over all authority/responsibility to administer the development per the Bylaws and CCRs in 2007.

270 ballots were sent to property owners (many own more than one lot); 136 were returned. At the time of the vote, First United Realty owned 36 lots, and the Bronstein Family Trust owned 22 lots. Collectively they voted 'No' on every proposed change. The other ballots overwhelmingly approved all suggested changes. Therefore the CCRs will remain unchanged unless another effort is pursued to change them.

Another issue is that First United Realty asserted they retain the 9 votes per acre assigned to the original developer prior to turning over authority to the POA Board (rather than 1

vote per acre like everyone else has). CJ spoke with First United regarding this issue and has requested advice from our POA attorney.

CJ asked for a 'straw vote' (non-binding) from those attending the meeting as to whether or not the Board should send out another ballot with only one issue: 1 Lot=1 Vote. All in attendance agreed.

A property owner asked what comprises a lot. The Board responded by saying if a defined property is within the boundaries of EVR development, registered with the County Recorder, and taxes and dues are paid on that property, then that property is considered a lot which is part of the EVR development.

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

CJ referred to the K-M letter dated June 18, 2014, sent to our attorney, and read certain excerpts as follows. (The letter was made available to any interested owner.)

Paragraph 2: K-M (and its predecessor) has drilled 58 CO² wells dated back to the 1950s, distributed throughout the Saint Johns Gas Unit (SJGU). This SJGU is several hundred square miles and EVR is only a small portion of it.

Paragraph 3: K-M has begun a 9 well drilling program for 2014. Only one is on EVR property and they already have communicated with the affected property owner. They also state that they will repair any damage to EVRPOA roads and make an additional \$1,000.00 contribution to EVRPOA's road fund. So far, the Board states that EVRPOA is owed \$3,000.00 (\$1,000.00 per well drilled in 2012-2013) plus reimbursement for any road damages incurred to date. (The Board will continue to pursue these payments.)

Paragraph 4: K-M plans to expand operations and begin a multi-year program to develop CO² resources within the area known as Phase 1. This will consist of approximately 120 wells, with pipelines connecting to a central processing facility (CPF). K-M states that "This development program...will not impact any lands within EVR."

Paragraph 5: K-M states that there are "...currently no plans to stimulate the wells with hydraulic fracturing."

Paragraph 6: K-M states that "Beyond 2019, Phase 2 (or other future phases of the SJGU) may, or may not, include portions of EVR."

The Board permitted property owner Vince Silveroli, who put together an Action Committee of interested homeowners, the opportunity to address the meeting regarding K-M.

- i) Vince formed the Elk Valley Ranch Property Owner's Group (EVRPOG) to deal with K-M at the property owner's level. (This is not in any way affiliated with the EVRPOA).
- ii) The EVRPOG is not against K-M, but is concerned about fracking.
- iii) Vince states he has driven around EVR and has seen signs which he feels indicate fracking.
- iv) K-M Representative Tom White, who has an office in St Johns, told Vince that K-M would be fracking for CO² only.
- v) Vince is also concerned about the content of mud/water ponds and their effect on the Mexican Grey Wolf.

E. New Business:

1. Ballot Results:

The vote includes those in attendance plus those ballots mailed back. 37 in favor and 0 against regarding the following measure:

- Approving the 07/06/13 Annual Meeting minutes.
- The following were elected/re-elected to the Board for 2014-2015:
CJ Hindman, James V. Smith, Michele Clark

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

F: Question and Answer:

1. A property owner asked if Woodland Valley was also involved with K-M. The Board answered 'Yes.'
2. A property owner asked about disclosing the date for the EVRPOA 2015 Annual Meeting as soon as possible on the website. Jim stated that the Board could post a "tentative" date as early as January 2015, but the official notice cannot be more that 50 days or less than 10 days (per Arizona statute).
3. Another property owner stated that First United Realty was not providing the EVRPOA website to purchasers of EVR property sold by them. The Board has taken this under advisement.

G. Adjourn:

Meeting Adjourned at 10:59 AM by CJ

Minutes prepared and submitted by: Vice-President/Secretary James V. Smith

**INSERT
THE CURRENT
2015
INCOME
STATEMENT
AND
BALANCE
SHEET
HERE**

**NOMINATION OF CANDIDATES FOR BOARD OF DIRECTORS
2015 ANNUAL MEETING
ELK VALLEY RANCH PROPERTY OWNERS ASSOCIATION
JULY 11, 2015**

The following candidates have been nominated by the EVRPOA Nominating Committee to fill the positions on the Board for 2015-2016. The nominees are listed below and a brief statement from each is included.

A. C.J. HINDMAN:

"I am currently serving as the President of the Elk Valley Ranch POA Board. I have experience on past boards for homeowners associations. I also have significant management and leadership experience during my service in the United States Air Force and other administrative positions. If re-elected, I pledge to continue to focus on the big picture issues for our organization and to seek more involvement with our fellow property owners."

B. MICHELE CLARK:

"I am currently on the Elk Valley Ranch Property Owners Association Board of Directors as Treasurer. I am a business office manager for Dignity Health/Optum 360, but hope to be a full-time resident of EVR in the near future. As a concerned property owner, I believe I am a good candidate for re-election."

C. JAMES V. SMITH:

"I am currently serving as Vice President/Secretary of the EVRPOA Board for the past year, and previously as Secretary/Treasurer since its inception in 2007. My background includes accounting, small business ownership and management, computers, and President of the Board of another property owners association since 2004. If re-elected, I will remain committed to serving on the Board in the best interests of all property owners."

D. KARA GRANILLO:

"I am currently on the Elk Valley Ranch Property Owners Association Board of Directors as a Member. I have my own business as a Tax Professional. I volunteer with various charities within our communities as well as national charities. I am interested in the welfare of the property I own in Elk Valley which translates that I care about the owners and the properties surrounding my property."

Elk Valley Ranch Property Owner's Association 2015 Annual Ballot

1. Approval of the 2014 Annual Meeting Minutes

___ For Approval

___ Against Approval

2. Election of Directors:

There were no responses to the Call for Volunteers; however, pursuant to Paragraphs 3 & 4 of Article VI of the Bylaws, the Nominating Committee has placed the following candidates up for election and/or re-election to the Elk Valley Ranch Board of Directors.

Please note that each voting Member may cumulate his/her votes and give one or more candidates for Director a number of votes equal to the number which such Member has (total number of acres owned) hereunder multiplied by the number of Directors to be elected, the total of which is **not to exceed the total number of acres owned**. The candidates receiving the highest number of votes up to the number of Directors to be elected shall be elected. The number of Directors to be elected is 4 (four). **Each acre owned equals 1(one) vote.**

1. C.J. Hindman: _____

2. Michele Clark: _____

3. James V. Smith: _____

4. Kara Granillo: _____

Instructions:

Once you have cast your vote, place the Ballot into the white return envelope. Please mail Ballots to: Elk Valley Ranch POA, C/O James V. Smith, PO Box 2752, Show Low, AZ, 85902-2752.

Mail-in Ballots **must be received** by Friday, July 10, 2015. Please remember that you may also hand-deliver your Ballot at the meeting.

Owner Name(s): _____ Signature: _____

Lot #(s): _____ Total acres owned: _____