

March 2011

GOLDFIELD RANCH HOMEOWNERS' ASSOCIATION

P.O. Box 17406

Fountain Hills, AZ 85269-7406

www.grhoa.org

Dear Neighbors:

Most Goldfield Ranch residents are extremely dissatisfied with the condition our roads and with the lack of progress made in improving them. Dust problems are major; rutting and wash-boarding are prevalent; property values are suffering.

As you know, each of us is required to pay yearly assessments to the Goldfield Ranch Property Owners Association (GPOA) for the sole purpose of road maintenance. According to our CC&R's, these funds are under the control of a 5-member Board of Directors elected annually by all property owners.

Several recent events make a March election for a new GPOA Board necessary. You should be receiving your ballots very soon. The election is to be completed by March 21.

1. The Ellman Companies, previous owner of the 2500 acre Preserve, the half of Goldfield Ranch master-planned for development in 1995, has defaulted on its loan to Credit Suisse. The Ellman Company Board members are out. They had two seats on the Board prior to forfeiture; Goldfield Ranch residents Marty White, Art Reichsfeld and Doug Reiner were the other three Board members. Until the March election, Marty, Art and Doug are the acting Board. Before he left, Don Kile of the Ellman Companies designated Marty White to head of road maintenance until the election.

2. Legal activity has resulted in a change in the number of votes each of us may cast in Board member voting. Each parcel owner now may cast only one vote per parcel owned, regardless of its acreage. This is, on the surface, a plus because it gives individual property owners as a group more clout in Board elections relative to owners of the Preserve. We have a chance to control the Board in that the Preserve only owns 56 out of a total of 374 parcels.

We are writing this letter because we want you to know the REAL FACTS from our point of view about why progress hasn't been made with our roads and why we feel the situation will get a lot worse if we don't band together and vote for the right candidates in the upcoming March GPOA Board of Directors election.

Pressure must be exerted on GCCA and its officers to stop their stream of lawsuits against GPOA. These lawsuits have resulted in over \$100,000 of your GPOA dollars being spent on legal counsel to counteract them rather than on road solutions. Their legal actions have also caused continual obstacles in road improvement solutions of any type and have already caused significant increases in your GPOA assessments. Check the change in your assessments from 2008- present. You are now assessed based on what Phase your property lies in. Actions of the GCCA resulted in this change in the way we are assessed. All Phases have experienced increases in assessments except for Phase 4 parcels (the Preserve) and part of Phase 3 parcels.

The following is a history of events which should clarify the reasons and identify those responsible for our present road/assessment situation.

*In 1978, our CC&R's stated that each parcel owner was entitled to 1 vote per parcel in electing a GPOA Board, regardless of acreage of his parcel. And, each parcel owner was required to pay an equal amount in assessments regardless of parcel size. The owner of a 5 acre parcel would get the same number of votes as an owner of a 17 acre parcel. And, the owner of a 5 acre parcel would pay the same amount in assessments for his parcel as would the owner of a 17 acre parcel.

* 1991, pre-Ellman Companies, this article was changed via a vote of property owners to give each parcel owner 1 vote per acre owned. And, each parcel owner would pay assessments based on number of acres. An owner of a 17 acre parcel would pay more than an owner of a five acre parcel. This change gave the Preserve significantly more votes (it has half of the acreage of Goldfield), but importantly, its owner would also pay half of the assessments.

* In November, 2008, Randy and Kathy Haines, through their GCCA organization, sued GPOA, contending that the 1991 change was illegal. (Goldfield Concerned Citizens' Association vs. Goldfield Property Owners Association, Case No. CV2007-016777 in the Superior Court of the state of Arizona in and for the County of Maricopa) the final judgment in this suit was handed down just last week. The Haineses through GCCA "won" this lawsuit, but this is definitely not a win for any of us. Voting reverts back to one vote per parcel as it was in 1978. But, here's the key part.....As was the case in 1978, each parcel owner will be assessed an equal amount, regardless of acreage within his parcel. That could result in a HUGE potential increase in our assessments as Preserve assessments decrease significantly! As of today, this case is still in court awaiting a final judgment on the ruling regarding assessments.

Through Doug Reiner who sits on the GPOA Board and is also a member of GCCA we feel the Haineses have blocked every effort to improve our roads. Their plan calls for using chip seal on only 3 miles of roads: one mile of Goldfield Road, one mile of Vista del Oro, and one mile of Pleasant View. Their solution is a cookie-cutter approach which assumes prep/application needs are the same for all Goldfield roads regardless of their condition, slope, and degree of wear and tear. As such, they insist that all roads have a layer of 3-4 inches of ABC laid down. Marty White and Art Reichsfeld contend, and are supported by four road contractors, that 3-4 inches of ABC below the chip seal is NOT NECESSARY for 95% of Goldfield Roads.

Marty and Art's plan calls for using chip seal within each of Goldfield's phases. For about the same amount of money as the Haines/Reiner proposal budget, all of Vista del Oro, all of Burntwater, all of Goldfield Road, all of Boot Hill, and Pleasant View (Phase V) would receive chip seal application. A large proportion of Goldfield's residents want improvement near their homes. This proposal should benefit many in Goldfield....not just a few as in the Reiner/Haines proposal. (FYI: GCCA represents a very small minority of the Goldfield residents and does not reflect the views of the majority.)

There must be road maintenance (grading) until a road solution is found and implemented. Marty White and Art Reichsfeld have run into on-going roadblocks from Doug Reiner. He questioned Marty White's authority to schedule recent grading. Then he didn't want to pay the grading bill for work done several months ago. And now he doesn't want grading to be undertaken as scheduled in March. He wants to wait until after the new election. March is a rainy month, and we need to grade after a rain. These delay tactics benefit no one.

On a positive note, should paving be desired by residents in the future, a hurdle has been overcome with the County. At one time, they would have required each owner along the paved road to obtain a permit.....an impossible feat. Recently, they have ruled that only one permit is required per phase.

February 22, 2011 GPOA Board Meeting Decisions/Actions

This meeting was attended by the three acting Board members (Doug Reiner, Art Reichsfeld, and Marty White), Bob Kammerle (Director, Carwin Advisors. He represents the current landowners who took over from the Ellman Companies), Mickey Latz (Golden Valley Management Company), James Hazelwood (Attorney for the GPOA Board), Kathy Haines.

- Board Approval was obtained for S&H grading to obtain the dust control permit for this year at a cost of \$2000. Doug Reiner wanted the permit issued to the GPOA Board. This is not at all practical. It would have

required a GPOA Board member to be on the job during all road grading.

- A new Board will be in place March 21. Ballots will be mailed out immediately and must be returned by March 17.
- 7 candidates are on the ballot: Marty White (resident), Bob Waldo (resident), Tom Zollars (resident), Doug Reiner (resident), Randy Haines (resident), Robert Kammerle (represents current Preserve landowners, Pat Vedra (represents current Preserve landowners). An additional resident, Virgil Dutton, has thrown his hat in and would like to be a write-in on the ballot.
- The Board approved patching the blacktop by the mailboxes on Vista del Oro and work has already begun.

This is the way we see it. We think that your GPOA Board owes you the truth....and we think that your elected representatives should consider your needs and what's good for individual property owners in Goldfield Ranch. To that end, we strongly recommend that you vote in the upcoming Board election.

The candidates that we feel have the most road experience and are most capable of doing this are Bob Waldo, Marty White and Virgil Dutton. Please cast your votes for them. You will need to write in your vote for Virgil Dutton.

Thank you for your support,

GRHA Board of Directors:

Janet Heekin
Karl Mann
Geno Mei
David Dudgeon
Jodi Storms
Wendy Zollars