

Mogollon Ranch Property Owners Association Reference Guide

This reference guide is designed to provide information on a wide variety of issues pertaining to Mogollon Ranch. Although every attempt will be made to keep the guide up-to-date, owners and prospective owners are encouraged to verify any specific information contained herein. The Mogollon Ranch Property Owners Association and its members, Board, volunteers and management company will not be held liable for any incorrect or outdated information contained in this document. Do not make any decisions based solely on this document.

History and Basics

Mogollon Ranch was once part of the Bar T Bar Ranch, which still exists nearby. The approx. 1,200 acre property was purchased by Bluegreen Corporation, a real estate development company incorporated in Delaware and headquartered in Florida. The first lots were sold in late 1998. Bluegreen sold its last lot in 2005. Mogollon Ranch was developed in three phases and consists of 233 lots minimum of five acres. No subdividing of lots is allowed.

Governing Documents

The Mogollon Ranch Property Owners Association is governed by the Amended and Restated Declaration of Covenants, Conditions and Restrictions recorded July 12, 1999; the First Amendment of the Amended and Restated Declaration of Covenants, Conditions and Restrictions recorded October 4, 2005; and the Bylaws approved June 6, 1999. Additionally, the Association has adopted building and related design guidelines which were approved March 12, 2005. All association documents are available online at www.mogollonranch.com.

Board of Directors

The Association is governed by a five-member Board of Directors. Board members are elected at each annual meeting for one-year term. Officers are selected by the Board following the election.

Association Management

The Association contracts for professional management services from Associated Asset Management (AAM). AAM is headquartered in Phoenix. Mogollon Ranch is managed from a regional office in Prescott.

Owners' Financial Responsibilities

Owners of property in Mogollon Ranch have financial responsibilities as follows:

- Association dues: Late each year, the Board approves a budget for the following calendar year. The budget includes necessary operating costs and a substantial contribution to a reserve account. Currently, association dues are \$432 per year per lot.
- Well maintenance expenses: Following the close of each calendar year quarter, each lot owner is invoiced for a pro-rata share of well maintenance costs. Pro-rata costs are calculated as total well maintenance costs divided by 233 (number of lots in the development). These costs include any repairs, changes or upgrades to the wells, pumps and piping, and water testing fees. Water quality is tested monthly.
- Water use costs: Currently, the only water usage expense billed to owners is the cost of electricity billed for their respective well. Electricity is used to power the pumps and to heat the well houses in

Information is current as of November 13, 2006, and is subject to change.

the winter. Effective November 1, 2006, all lots using water are required to install an association-approved water meter. Meters will be read monthly and water usage as measured by the meter will be used to determine each owner's share of the electric costs of each well. Water use costs are billed at intervals determined by the Board of Directors.

- Septic testing: All septic systems in Mogollon Ranch are required to be inspected annually. The Association typically arranges for testing to be done and billed to the respective lot owners. However, individual owners can have the testing done independently and will not incur the testing fee if they submit the written septic test report to the Association. (CC&R Section 6L)
- Special assessments: There are currently no special assessments and none are anticipated.

Communications

The Association communicates with its members using direct mail and email. Any owners with email capabilities who are not receiving information electronically are strongly encouraged to provide their email address to AAM. A considerable amount of information is also available online at the Association's website: www.mogollonranch.com.

Utilities

Three basic utility services are to the lot line:

- Water: provided through the water system described below.
- Telephone, and dial-up or ISDN dial-up internet: provided by TDS Telecom, local office: 150 W Sunset Ave, Quartzsite, AZ 85346. Phone 1-888-225-5837 or locally 928-477-3111. www.tdstelecom.com
- Electricity: provided by Arizona Public Service (APS). APS suggests that the necessary information be submitted as early in the development as possible to assure meeting the customer's completion schedule. Backlogs can be as long as 12 to 14 weeks if a crew is involved to bring power to the home site. This would include setting a transformer, poles or any other necessary equipment other than service wire to provide electric. Applications can be obtained by calling 928-773-6312 or by email to Raelene.Stanton@aps.com with the following information:
 - Applicant's name.
 - Property owner's name
 - Official street address and the complete legal description of the property to be served.
 - Type of structure or facilities to be served. Square footage of building.
 - County building permit number.
 - Site plans and building plans showing desired meter location.
 - Estimated loads - voltage and phase desired.
 - Type of cooling/heat.
 - Credit information.

Additionally, propane gas is available from a number of companies, including Ferrellgas, Flame Inc., and Northern Energy.

Wells/Water Systems

There are seventeen wells and water systems in Mogollon Ranch. Each water system serves 13-14 lots. The water systems are not interconnected and are not considered "public water systems." A plat map of Mogollon Ranch lots and wells can be found under the "Publications" button at www.mogollonranch.com.

Each of the seventeen water systems consists of a well; a pump submerged in the well; piping connecting the submerged pump to a water storage tank; a partially-buried water storage tank: a

pumping system that pumps water from the storage tank into the distribution piping; and underground piping that distributes the water to the lots served by that well. Three of the water systems (Wells #1, 5, 11) have 10,000 gallon water storage tanks, an extra high-capacity fire water pump, and street-side fire hydrants to provide additional water for refilling tankers of firefighting agencies (Blue Ridge Fire Department, US Forest Service and others). The other water systems have 5,000 gallon water storage tanks, but Wells 7, 8 and 9 have much larger well pumps to provide water to four private lakes.

There are no backup electrical generators at the wells. Thus, no water is pumped from the well during an electrical outage.

Water Usage

For the purpose of equitably billing water usage costs in Mogollon Ranch, water meters must be installed on any lot using water for any purpose. A meter must be installed at the time of placement of the water line at any new construction. A water meter policy and installation guidelines are under development.

The Badger Orion M-70 meter is being used. Lot owners purchase the meter from the Association at cost. The Association will have it professionally installed at the lot owner's expense after the lot owner excavates for installation. The meter is owned by the lot owner, who is responsible for any maintenance or replacement costs.

The meter is equipped with remote reading capabilities. The Association has purchased a meter reading system that allows for meters to be read from the road by a specially-equipped laptop computer. The system is equipped with leak detection capabilities. Suspected leaks on an owner's water line will be brought to the owner's attention, who is responsible for repairs.

Roads

All roads within Mogollon Ranch are private and owned by the Association. This includes approx. seven miles of gravel road and three miles of paved road. The Association is responsible for all road maintenance costs, including grading of the gravel roads and maintenance of the asphalt paved roads. The Association has an easement through the forest beginning at the Highway 87 turnoff onto Mogollon Trail. Maintenance of the 1 ½ miles of paved forest service road is also the Association's responsibility.

ATV's

All terrain type vehicles, off road motorcycles, and snow mobiles shall be operated only within an owner's lot and are prohibited from interior roads and access easement roads. Such off road vehicles may use the trail easement only to access the forest and only at speeds of less than 10 mph. (CC&R Section 6P)

Firearms

No firearms may be discharged on any area of Mogollon Ranch. (CC&R Section 6P)

Construction

Owners are advised to pay particular attention to the Design Guidelines adopted by the Association. Minimum size and set-back requirements are outlined. Coconino County will not accept building plans without the Association's approval stamp, so when planning for construction please provide

adequate time for an architectural review. Submission of all required materials and drawings is vital, as incomplete submissions will not be considered.

Due to the rocky soil conditions, owners should anticipate construction of an alternate septic system. Costs of such a system are in the \$20,000+ range.

A \$2,000 lot clean-up deposit must be submitted with the plans. This will be refunded upon completion of construction if all construction debris has been removed. Completion is defined as submission to the management company of a Certificate of Occupancy from Coconino County. Please note that the County only issues these Certificates upon request.

New construction projects require (1) an onsite port-a-john; (2) an onsite dumpster for construction debris; and (3) construction of a driveway that includes a culvert for water drainage. Culvert installation specifications can be found on the Mogollon Ranch website.

As stated in the Mogollon Ranch Design Guidelines, the lot must be surveyed and the lot lines staked before construction begins in order to establish the accurate placement of improvements and structures.

Camping

Camping is not permitted on the property. However, with prior written approval of the Association, lot owners and their guests, but not contractors and laborers, may use a portable camper or RV during the construction of an approved residence. The Association may revoke permission to camp if in its discretion the camping creates a nuisance or adverse effect on neighboring property. (CC&R's 6A)

Fire District

Mogollon Ranch is part of the Blue Ridge Fire District. Approx. \$65,000 was paid to the fire district in order to join the district. These monies have been used by the district for general operating expenses.

In 2003, the Association investigated the possibility of constructing a building within Mogollon Ranch to house a fire truck and related equipment. During this process, it was discovered that, contrary to rumor, none of these funds were set aside for construction of this structure. The costs of any such unmanned building would have to be paid completely by Mogollon Ranch. Consideration of this project was concluded.

Fires

No fires are permitted in Mogollon Ranch with the exception of fire pits that are constructed and approved per the Fire Pit standards adopted September 9, 2006. Violation of this policy subjects the owner to a \$10,000 fine. It is the responsibility of each lot owner to ensure compliance by residents, guests, contractors, laborers and others on or accessing their property.

Mogollon Ranch strongly encourages lot owners to abide by the Firewise guidelines, which will minimize the effect of any wildfire reaching your property and will allow for appropriate fire department access in the event of a fire.

Common Area

The only common area within Mogollon Ranch is Tract A, a six acre parcel on which the mailboxes and garbage enclosures are located. Tract A is located off of Mogollon Trail approx. midway through the development between lots 145 and 146.

Trash Collection

Trash containers are provided at Tract A, owned and serviced by a local contractor. They are for household garbage and trash only: no construction debris, dead animals, vehicle batteries or other potentially hazardous or toxic materials. All owners are welcome to use this service, but it is not available to non-residents, builders or other contractors.

Lakes

There are four small privately owned lakes in Mogollon Ranch. A couple of these are visible from Mogollon Trail. These lakes are completely on private property and access to the lakes is limited to the owners of these properties, and those with express permission of the owners. Owners of the lakes are responsible for maintaining the lakes and for the cost of the metered water delivered to the lakes.

Livestock Grazing

Arizona law permits livestock grazing in designated areas, including Mogollon Ranch. Due to the extraordinary cost, the Board has chosen to not fence off Mogollon Ranch to-date. Therefore, owners should not be surprised to find cattle roaming throughout the development during the summer in even-numbered years when local ranchers have grazing rights on the east side of Arizona Highway 87.

Little Bly Pit

Little Bly Pit, located across Hwy. 87 from the entrance to Mogollon Trail, is operated by the U.S. Forest Service specifically for the disposal of forest debris and rock. Please do not dump any household trash in Bly Pit. The Forest Service also requests that debris NOT be dumped on hot spots.

Mailboxes

Each lot owner has a designated mailbox in the gang mailboxes located in the common area. Mail delivery to these boxes begins only upon written request of the lot owner. If you want to have your mailbox keys, go the Post Office and get form 4232, Rural Customer Delivery Instructions. This will notify the carrier that you want to establish your delivery. The carrier will pull the keys from your mailbox and will provide them to Garry Dalrymple, a resident of Mogollon Ranch. You can then contact Garry at 928-477-2493 to get the keys. The keys are kept in your mailbox until you establish delivery. They are not held at the Post Office. Garry also has a supply of Forms 4232 and can help you if the post office is closed.

Association contact information

Mogollon Ranch POA
c/o Associated Asset Management
1963 Commerce Center Circle, Suite A
Prescott, AZ 86301

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Email: manager@mogollonranch.com
Website: www.mogollonranch.com

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