Three Canyons Ranch Master Homeowners Association
Board Meeting Minutes
October 12, 2005

Board Members Present:

Ron Slyter, Paul Holland, Carl Bromund, Gary Brock, Jerry Chouinard, Rich Frederici, Chris Carson, Pat Kirk, and Evans Guidroz.

Call to Order
5:32 p.m.

Approval of Minutes from Last Meeting

A motion was made and seconded to approve the draft minutes from the Association's Annual Meeting on July 23rd, 2005. The motion carried unanimously.

Adoption of Agenda

A motion was made and seconded to adopt the draft agenda; the motion carried unanimously.

Call to Membership

The following issues were raised by the members:

- A member asked about the relationship between a map of Bradberry Estates and Three Canyons. The Board confirmed that Bradberry Estates was within the boundaries of Three Canyons but not near the member's particular property.
- A member asked if the CC&Rs required that the East & West gates be located immediately adjacent to Palominas Road and Highway 92. The Board responded that the gates exact location could be determined by the Board.
- A member asked if the meeting time could be changed to 7:00 p.m. The Board responded that the issue would be taken under advisement.

Attorney's Report

- The Attorney reported that a letter had been sent (as directed by the Board at the last meeting) to all members of Vista Del Oro, informing them that the Master Association had assumed the Master Design Review duties. The Attorney commented that this was one of the purposes of the Master Association, i.e. to step in and protect owners in the event that a function is not being performed adequately. Costs incurred by the Master Association in assuming this function may be assessed to owners in Vista Del Oro through a special assessment.

- The Attorney reported on the status of obtaining deeds for the property associated with Three Canyons Road. Approximately 25% of the required deeds have been obtained. The list of owners is being verified with a local title company. That information is expected to be received in the next week. At that time, demand letters will be sent to any owners who have not submitted deeds advising them that litigation will be commenced on 1 November to obtain the deeds.
- The Attorney reported on the status of the Wild Horse II litigation. There have been no new developments since the last board meeting. The Attorney requested that the Board pass a motion to commence invoicing of assessments for Wild Horse II members. The Board had previously instituted a moratorium on invoicing members pending the results of the litigation. Since the motion for summary judgment requested by the plaintiff was denied, the Attorney urged the board to revisit this issue. A motion was made and seconded to issue invoices for assessments to Wild Horse II members for the past three year period. The motion carried unanimously. The Attorney reported that assessment invoices will be sent in the next two weeks.
- The Attorney reported that the relocation of the west gate could proceed without the need for a vote of the membership as described in section 6.10 of the CC&Rs.
- A member asked the Attorney a question about the timeline for review and decision on subdivision governing documents. The Attorney advised that documents would be reviewed and a decision rendered within a 30 day timeframe. The Attorney reported that the main criteria in the decision would be that nothing in the subdivision governing documents could contradict the Master Homeowners Association's CC&Rs and that nothing in the subdivision governing documents could create a cost or obligation for the Master Association.
- A member reported that they owned property adjacent to Three Canyon's Road and that they had never received a letter concerning transferring their ownership of that area associated with the road. The member's information was recorded by the Attorney who promised to ensure that they would receive a duplicate letter.

Committee Reports

The Master Design Committee reported that approximately 4 new constructions were approved over the last three months

Appeals

- An appeal was heard from Dr. Zeligman for approval of his subdivision in Section 21. The Master Design Committee recommended that the subdivision be approved subject to the following conditions:

- review and approval of the subdivision’s governing documents by the Association’s Attorney.

A motion was made and seconded to approve this recommendation. The motion carried unanimously.

- An appeal was heard from Pat Kirk for approval of his subdivision in Section 21. The Master Design Committee recommended that the subdivision be approved subject to the following conditions:

  - the subdivision will be a cluster design;
  - minimum lot size will be 3 acres;
  - setbacks will be authorized according to the matrix submitted by the developer;
  - review and approval of the subdivision’s governing documents by the Association’s Attorney;
  - review and approval of the subdivision’s conservation agreement by the Association’s Attorney.

  Pat Kirk indicated that he would like to revise his previously submitted matrix on setbacks. After discussion by the board, a motion was made and seconded to approve the recommendation of the Master Design Committee; the motion included the authority for the Master Design Committee to take action on the Board’s behalf concerning the revised setback matrix, where such action could include either approval or denial of the setbacks. The motion carried by a vote of 6 for and 2 against. Pat Kirk recused himself from the voting on this motion.

  Pat Kirk also asked that if he were to submit a different plat map, what time frame and cost would be associated with review of a new alternative. The Board responded that this would constitute a new submission and require an entire review process.

- An appeal was heard from Rob Lewis for approval of his subdivision in Section 21. The Master Design Committee recommended that the subdivision be approved subject to the following conditions:

  - side setbacks for lots 13 and 18 to be 75 feet.
  - review and approval of the subdivision’s governing documents by the Association’s Attorney.

  A motion was made and seconded to approve this recommendation. The motion carried unanimously.

- An appeal was heard from Chito Banuelos concerning construction of a block wall, specifically that the Board waive the 20 foot setback requirement. The Association's Attorney advised that any decision from the board should include a mechanism for persons impacted by reduced setbacks to have a voice in the process. The particular property borders a Vista Del Oro common area. A document was presented by Chito Banuelos indicating that a large number of members in Vista Del Oro concurred with his proposal. Because it was unclear that all members of Vista Del Oro had been advised of this impact on the common area, a motion was made and seconded to table action on this appeal until the next board meeting. The motion carried unanimously. The President indicated that the Master Design Committee would provide written instructions on how persons impacted by reduced setbacks could be afforded the opportunity to have a voice in the appeal process.

- An appeal was heard from Tomas and Floramae Teskey concerning a slight variance in the actual size of their 40 acre parcel and a split of that parcel into five 8 acre parcels. This issue is viewed by the member as an urgent matter in that there is a pending sale of one of the 8 acre parcels. The Master Design Committee recommended that the appeal be approved subject to the following conditions:

    - parcel 104-01-107E in Section 26 of 7.9 acres shall be treated as an 8 acre parcel with respect to meeting the minimum lot size requirements, assessments and voting;
    - unpaid fines owed by the Teskeys to be collected at closing;
    - unresolved prior violations of the CC&Rs remain in effect and require correction.

  The Association Attorney will notify the title company of these conditions and ensure that these conditions are included in escrow instructions. A motion was made and seconded to approve this recommendation. The motion carried unanimously.

Presidents Report

The President reported that he was working with the Cochise County Sheriff to enforce reckless driving on Three Canyons Road. The Sheriff's Department has indicated their willingness to issue citations for anyone exceeding the posted speed limit by more than 20 mph, as this constitutes reckless driving.

Treasurer's Report

The treasurer distributed copies of his report. The report included a letter from James Varga, a Certified Public Accountant who prepared the Association's tax returns. The Association's Federal and State taxes for the fiscal year ending June 30, 2005 have been paid. James Varga indicated in this letter that all checking and savings accounts had been analyzed and reconciled, and that no unusual, irregular or otherwise notable activities were identified. A summary of the key items in the Treasurer's Report is listed below:

Account balances as of 10/12/05

- Regular checking account: $56,736.21;
- Capital checking account: $85,327.12;
- Capital savings account: $51,243.56;
- Bank One. Loan balance $137,500. 4 year loan, interest rate 5.75% fixed, interest to be paid quarterly, principal to be paid annually each November ($47,000.00). No early payment penalty. Loan paid in full November, 2008. Early principal payment was made in August, 2005. The next quarterly interest payment of $3,000.00 is due November, 2005; the next principal payment of $47,000.00 is due November, 2006.

Michele DoPadre who is the law firm manager for the Attorney and provides administrative services for the Association reported that there were currently over $12,000.00 in unpaid assessments, late fees, interest and fines that are owed to the Association by its members. This amount included 16 unpaid assessments. The Attorney indicated that collection action for these amounts will commence in the next two weeks. Michele also reported that 180 transfers occurred in the past year.

A member asked the Board to consider posting financial documents such as the budget on the Association website. The President responded that the issue would be taken under advisement.

Other Committee Reports

The Gate Committee reported that there are some reliability issues with the current gate; the committee hopes to provide an improved and more reliable system in conjunction with the pending relocation of the gate. The committee continues to work with Castle & Cooke in an attempt to link relocation of the gate with some expected construction of gates by Castle and Cooke on their property adjacent to Three Canyons Road in the near future. Some new developments are expected later this month.

The Map Committee reported that new maps have been produced and distributed to members who ordered them. The Committee recommended that the price of maps for non-members be raised to $15.00. A motion was made and seconded to approve this recommendation. The motion carried unanimously.

The Clean-Up Committee reported that they are still seeking volunteers to take responsibility to pick up light trash along Three Canyons Road. The road has been divided into 14 half-mile segments and members have volunteered for 7 of those segments. A sign-up sheet was provided for anyone who desired to volunteer for one of the remaining segments.

The Master Design Committee reported the development of a proposal to revise the guidelines and fine schedule. The revised guidelines also include provisions concerning approval of subdivisions and villages, and clarify the role of the Master Design Committee as it relates of new villages. Copies of the revised guidelines were distributed. A summary of the key items is listed below:

- new sections cover approval of subdivisions and villages in paragraphs 15, 16 & 17;
- fine schedule and process for appeals listed in paragraph 14;
- Master Design Application Fee for new villages established at $1,000.00; with provision to bill developer for attorney's fees associated with multiple submission (paragraph 16).

Following discussion of the proposed guidelines, a motion was made to accept the guidelines as drafted. The motion was seconded and passed by a vote of 6 for and 2 against. The guidelines will be posted on the homeowners association website and become effective when recorded.

Old Business

The President reported that a resignation had been received from Board Member Susie McKay. The President also reported that David Paris had submitted a de facto resignation through failure to attend meetings. The President recommended that the resignations be accepted and that the members not be replaced at this time. If interested candidates can be identified the Board would reconsider replacements. A motion was made to accept the recommendation. The motion was seconded and passed unanimously.

New Business

The President reported that some efforts had been made to explore the potential to obtain contract administrative services from another vendor instead of the current arrangement where they are provided by the office of the Association's Attorney. After some discussion of this item, the President recommended that a Committee be formally chartered to develop a recommendation to the Board on this issue, with the Committee membership to include Ron Slyter, Carl Bromund, Rich Frederici, Tom Pickering and Chris Carson. The guidelines for the committee included that any vendor recommended should be at a similar cost to current services. A motion was made to accept the recommendation. The motion was seconded and passed unanimously. A special meeting of the Board may be held in the near future to receive and consider the Committee's recommendation. If such a meeting is scheduled it will be announced on the Association's website.

The President reported that in the course of exploring alternatives to obtain contract administrative services from other vendors, that it became apparent that the Association's transfer fee was below the market rate. The President recommended that the Association's transfer fee be raised to $400.00 and that the change implemented as soon as practicable. A motion was made to accept the recommendation. The motion was seconded and passed unanimously

Call to Membership

The issue of jurisdiction of the Sheriff's Department to enforce reckless driving was raised. The President responded that in working this issue with the Sheriff's Department that they were comfortable in their authority to issue citations for reckless driving (speeding in excess of 20 mph above the posted limit).

The issue of mail delivery within Three Canyons was raised. The President reported that he had discussed the issue with the Postmaster and had been advised that the following conditions must be met:

- location of mailboxes must be on land deeded to the Post Office,
- mailboxes must be purchased at an estimated cost of $2,000.00 per module,
- a guarantee must be provided that private roads traveled by postal employees would be maintained in good condition.

A motion was made to adjourn. The motion was seconded and carried unanimously. The meeting adjourned at 8:50 p.m.

Members are reminded that the next meeting is scheduled for January 11th.

Carl Bromund
Secretary