

Three Canyons Ranch Master Homeowners' Association
Board Meeting Minutes
July 19, 2014
(approved at 8 Oct 2014 board meeting)

1. Meeting called to order at 10:19am

Board Members present:

Eileen McMannon - Sec. 19
Marilyn Wardlaw - Sec 20E
John Langholff - Sec. 20W
Richard Sontheimer - Sec. 21 (President)
Cathy Chouinard - Sec. 22
Mike Needham - Sec. 23 (Acting Secretary)
Rich Frederici - Sec. 24
Bob Gilbert - Sec 26
Jack Lang - Sec. 27 (Treasurer)
Evans Guidroz - Sec 28

2. The President provided a brief review of the meeting ground rules. Board members introduced themselves.

3. Revision and/or Acceptance of Agenda. A motion was made and seconded for approval of the meeting agenda. The motion carried unanimously.

4. Revision or acceptance of June 11, 2014 Board Meeting Minutes.

Motion was made and seconded to have the updated 3 Canyons Gate Policies and Procedures Amended and Revised June 11, 2014 document and the associated 3 Canyons Gate Committee Memorandum for 3 Canyons Ranch HOA Members June 11, 2014 document added to the minutes and to correct the section 10 agenda item to read, Acceptance of New Gate Policies and Procedures.

Motion passed 9 yes, 1 no

A second motion was made and seconded to amend the first sentence in the first paragraph under item 10 to read, "The updated Gate Policies and Procedures document will be posted on the web site by the secretary".

Motion passed 8 yes, 2 no. (Note - the board secretary IAW current procedure sends documents to the Association's Web Master who posts them to the web site.

5. Treasurer's Report - Jack Lang

Jack Lang handed out the Financial Statement and the 2013 - 2014 Budget status report as of 30 June 2014. Both reports are at the end of the minutes. A

question was asked by a member if it would be possible for members to pay their assessment via some type of electronic transaction. Jack will research the idea.

6. Committee Reports

MDC - Jack Lang

No activity since the June 11 meeting. The home owners on 8688 Rio Santiago, discussed during the 11 June meeting, are currently selecting an exterior color IAW with MDC guidelines.

Road - Rich Frederici

The following projects were completed (during this past year) or are still ongoing.

a. Black topped the area around the East Gate. This included black topping an area over the culverts, both on Rio Santiago north side and Rio Santiago south side. Completed

b. Concrete was poured on the inlet sides of the culverts, both on Rio Santiago north side and Rio Santiago south side. Completed.

c. Repairs to the ditch on the south side of 3 Canyons Roadway, west of Keystone, were done because the integrity of the roadway was being compromised, due to erosion caused by heavy flooding. This was accomplished by placing large culverts into the ditch, back filling and pouring a large concrete inlet. Completed

d. Ditches on the south side of 3 Canyons Roadway, east of V.D.O., are being worked on. This also is being done because of erosion caused by heavy flooding.

e. The area on 3 Canyons Roadway just east of Highway 92 is now being worked on to clear culverts and to reroute the drainage into the cleared culverts. A permit from Cochise County approved this project and work is being done to Cochise County specifications.

f. We looked at the fencing complaint at the north end of Air Strip road and found a gate open and some of the fence in need of repair. Before any work can begin, the need to determine if that gate area is a dedicated ingress-egress easement. If this is not the case, we may be able to fence that gate area closed.

g. Repairs to 3 Canyons Roadway were recently completed. Because of the age of the road and usage the type of maintenance will continue until the roadway is completely resurfaced.

h. 3 Canyons Roadway shoulders are in need of mowing, but because of weather related issues, this has not been possible. Early this Spring, because of high

winds, high temperatures, and extreme dryness, the fire danger was very high. Once it did start to rain, it has not stopped and now the ground is too soft to get equipment on to mow. As soon as this situation abates, the mowing will proceed.

i. Placed reflectors along the project where new culverts were installed west of Keystone.

j. Replaced the stop sign at 3 Canyons Road and Palominas Road.

k. Repaired the perimeter fence in several locations.

A question was asked about the projected cost to the road resurfacing. The estimated cost is \$400,000 - \$500,000 for chip sealing the entire 6.5 miles. The cost of oil seems to be the largest variable.

A question was asked if the committee had looked at the possibility of resurfacing a portion of the road vice waiting to do it all at once. The committee is open to any possibility however they feel doing the entire road at once is the best alternative.

A question was asked about signs at Highway 92 and 3 Canyons and at 3 Canyons Road and Palominas road. ADOT owns the easement at Highway 92 and will not allow the association to place anything in the easement. The County owns the easement at Palominas road. The committee will research with the county.

Gate - Tom Pickering

Administration

A few problems with battery replacement for remote units have been experienced. If you have a problem or need a temporary number, please contact the gate administrator John Stone jkzmstone@netzero.com or at (520) 559-5291

West Gate

The west gate continues to function with no problems.

East Gate

The circuit boards and other electronic devices have been failing. A recording voltage meter indicates that electrical spikes are occurring at night. APS is in the process of replacing the transformer with another type to eliminate the problem. This will be the 3rd replacement transformer. The problem is with APS and not the equipment.

Once the voltage is correct, Signal Gates will reactivate the gates. Hopefully, this will take place in August. In the meantime the gates will remain open.

A question was asked about using solar to power the East Gate. The idea has been looked at but due to all the gate operations/functions power requirements solar was rejected.

Governing Documents - John Langholff

A searchable CC&R document is now available on the 3 Canyons web site (<http://az3canyons.com/>) under Documents/Legal.

Maps - Eileen McMannon

Two updates are being made, one each in Sections 23 and 24.

8. Election of Board Members

President . Motion was made and seconded to appoint Rich Sontheimer. The motion was approved 9-0 (Jack Lang absent for this vote)

Vice President. Motion was made and seconded to appoint John Langholff. The motion was approved by a unanimous vote.

Secretary. Motion was made and seconded to appoint Mike Needham. The motion was approved by a unanimous vote.

Treasurer. Motion was made and seconded to appoint Jack Lang. The motion was approved by a unanimous vote.

Assistant Treasurer. Motion was made and seconded to appoint Donna Willard. The motion was approved by a unanimous vote.

9. Formation of Committees

Master Design Committee (MDC)

A motion was made and seconded to appoint the following members to the MDC:

Sect 27: Jack Lang (Chair)	Sect 22: Cathy Chouinard
Sect 19: John MacLeod	Sect 23: Craig Gundy
Sect 20E: Virginia Stiles	Sect 24: John Hightower
Sect 20W: Gerry Rovner	Sect 26: Steve Burr

The motion was approved by a unanimous vote.

Road Committee

A motion was made and seconded to appoint the following members to the Road committee:

Rich Frederici (Chair)	Tom Pickering
Bob Gilbert	Jim Dobis

The motion was approved by a unanimous vote.

Gate/Gate Administrator Committee

A motion was made and seconded to appoint the following members to the Gate committee:

Tom Pickering (Chair)
Jim Dobis
Rich Frederici
John Stone (Gate Administrator)

The motion was approved by a unanimous vote.

Governing Documents Committee

A motion was made and seconded to appoint the following member to the Governing Documents committee:

John Langholff

The motion was approved by a unanimous vote.

Maps Committee

A motion was made and seconded to appoint the following member to the Map committee:

Eileen McMannon

The motion was approved by a unanimous vote.

Web Master

A motion was made and seconded to appoint the following member as the 3 Canyons Ranch MHOA Web Master:

Tom Gleason

The motion was approved by a unanimous vote.

10. Proposal for 20 East Road Maintenance (the proposal, prepared by 20E members, is attached at the end of the minutes)

A motion was made to table discussion of this item and to have the President meet with the attorney and obtain the attorney's written opinion on the MHOA assuming maintenance and responsibility for private roads within the MHOA.

As part of the motion discussion Cathy Chouinard mentioned she had received information that the Palominas Fire Department plans to staff their Miracle Valley (Highway 92) station starting in October 2104. From this location they will be able to respond quicker to 3 Canyons calls if they have access to S. Calle Cielo Grande (it runs from South Kings Ranch Road to 3 Canyons Road). The road would need maintenance and they are asking for help from the 3 Canyons MHOA. They are willing to work with us and would even come to a meeting to discuss it.

The motion was approved 9-1.

Another motion was made to make the meeting with the attorney an executive session meeting. The motion failed for lack of a second.

11. Dates for Future Meetings

A motion was made and seconded to approve the following meeting dates:

Board Meetings - October 8, 2014, January 14, 2015, April 8, 2015, June 10, 2015, July 18, 2015 (immediately after the Annual Membership meeting)

Annual Membership Meeting - July 18, 2015.

The motion was approved by a unanimous vote.

Meetings are held at the La Purisima Retreat location except for the July 18, 2015 annual membership and board meeting which will be at the Buena High School location. The Secretary will reserve the meeting rooms.

12. Call to Membership. None

13. Adjournment

A motion was made to adjourn the meeting. The motion was approved by a unanimous vote. Meeting adjourned at 12:07pm.

(Agenda Item 5. Treasurer's Report)

**Financial Statement
3 Canyons Ranch HOA
June 30, 2014**

Commercial Checking	\$656.50
Outstanding Checks (0)	\$.00
Construction Deposits	\$2000.00
Commercial Savings	\$268,655.65
Capitol Savings	\$48.40
Total	\$269,360.55

(Agenda Item 5. Treasurer's Report)

3 Canyons Ranch 2013 - 2014 Budget

June 30, 2014

	June 30, 2014	Year-to-Date	2013-2014 Budget	Budget Remaining
Income	\$35	\$161,641	\$164,700	\$3,059
Assessments	\$0	\$149,345	\$148,400	(\$945)
Fees	\$35	\$12,286	\$16,300	\$4,014
Expenses				
Admin	\$369	\$6,903	\$8,400	\$1,497
Board	\$119	\$3,232	\$3,500	\$268
MDC	\$0	\$157	\$200	\$43
West Gate	\$250	\$3,489	\$3,600	\$111
East Gate	\$0	\$0	\$500	\$500
Road	\$0	\$0	\$200	\$200
Documents	\$0	\$0	\$200	\$200
Map	\$0	\$25	\$200	\$175
Accounting	\$150	\$1,520	\$2,500	\$980
Attorney	\$630	\$15,568	\$10,000	(\$5,568)
Services	\$630	\$13,782	\$6,000	(\$7,782)
Litigation	\$0	\$1,786	\$4,000	\$2,214
Insurance	\$900	\$3,977	\$4,900	\$1,123
Board	\$900	\$1,500	\$1,600	\$100
Road/Umbrella	\$0	\$2,463	\$2,800	\$337
Gate	\$0	\$14	\$500	\$486
Lockbox	\$192	\$2,414	\$2,600	\$186
Taxes	\$0	\$13	\$200	\$187
West Gate	\$743	\$9,652	\$14,500	\$4,848
Warranty	\$465	\$5,080	\$4,500	(\$580)
Utilities	\$128	\$1,121	\$1,000	(\$121)
Projects	\$0	\$0	\$2,000	\$2,000
Maintenance	\$150	\$3,651	\$7,000	\$3,349
Road	\$6,264	\$44,238	\$50,000	\$5,762
Repair	\$6,264	\$33,022	\$38,000	\$4,978
Mowing	\$0	\$960	\$4,000	\$3,040
Drainage	\$0	\$10,256	\$8,000	(\$2,256)
Contingency	\$0	\$9,298	\$9,300	\$2
Resurface Road	\$7,500	\$57,500	\$60,000	\$2,500

(Agenda item 10. Proposal for 20 East Road Maintenance)

The 3 Canyons Ranch Master Homeowners Associations has placed a gate at the corner of Three Canyons Road and Rio Santiago. We have been informed on many occasions that 3 Canyons exhausted all options in connection with the placement of the gate. However, the gate has been placed in violation of 3 Canyons CC&Rs, has caused real damages to properties located outside of the gates and has unequally distributed the benefits of membership in the HOA.

The majority of 20E Residents have meet and come up with several proposals to begin to possibly add some value back to our property and some benefits back into our membership in the HOA. These proposals are not fixes to the damages done to us, but we feel we are willing to trade the damages and losses for these minor concessions.

Proposals:

1. 3 Canyons Ranch Master Homeowners Association continues to collect 100% of the HOA dues from 20E residents. 3 Canyons adopts 20E access roads (Airstrip Road, E Calle Malpaso, E Swallowtail Lane, E New England Place, Windtalker Road, Coyote Song, Vista Montanas, Avenida Jicarilla, Vista Del Cielo, White Wolf Run and Treasure Garden) as 3 Canyons Common Property (See below). Then beginning in 2015, 3 Canyons could budget for the road maintenance of these 20E roads.

*This is by far the easiest and most cost effective to accomplish.

*This option can be accomplished by a $\frac{3}{4}$ vote of the Board.

Page 9: "The Master Common Areas, include, but are not limited to, the Private Streets. The only private street which shall constitute Master Common Area and be maintained by the Master Association is the primary roadway to the extent that such roadway is located on Master Association Land. Upon written direction of the Investor, ..., or a three-quarters (3/4) vote of the Board, other private streets may be indicated as Master Common Areas to be maintained by the Master Association."

*This option, through investment, adds value to 20E, which adds value to the entire community. This is the whole point to an HOA.

*Depending on funds available, road maintenance would include grading, graveling or any necessary supplies to maintain roads in their current surfaces.

(The roads mentioned for adoption as common property require further investigation.)

2. 3 Canyons Ranch Master Homeowners Association collects 50% association dues from 20E Residents.

*This option was 100% accepted among the 20E residents who attended the neighborhood meeting.

*This option would require an 80% vote of the membership which makes this difficult if not impossible.

3. 3 Canyons Ranch Master Homeowners Association collects 100% association dues from 20E Residents. In a timely manner, 3 Canyons solicits bids and authorizes construction of access gates at the east ends of Three Canyons Road, Vista Montanas, Avenida Jicarilla and Treasure Garden. A timely manner would be open for discussion.

*With some idea of the cost and maintenance of the other gates, this seems to be the least cost effective.

*Unknown outcome on acquiring the permits and land necessary for the building of the access gates.

4. 3 Canyons Ranch Master Homeowners Association removes the gate located at the corner of Three Canyons and Rio Santiago.

*We want to stay away from destructive language. However, we cannot allow our property to be damaged in this way. We must come to some sort of a resolution in regards to the east gate.