Three Canyons Ranch Master Homeowners Association
Board Meeting Minutes
January 11, 2006

Board Members Present:

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

Call to Order
5:37 p.m.

Approval of Minutes from Prior Meetings

A motion was made and seconded to approve the draft minutes from the Association's Meeting on October 12th, 2005. The motion carried unanimously. A motion was made and seconded to approve the draft minutes from the Association's Special Meeting on December 13th, 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 vacant position on the board from Section 20 East. The President, Mr. Slyter, responded that the Board hopes that a candidate will be elected at the next Annual meeting in July to fill this position.
- A member asked about the village status of Vista Del Oro. The Board's Attorney, Mr. Stachel, responded that Vista Del Oro is in fact a village and that he will prepare and send a letter on behalf of the board to clarify this issue.
- A member expressed concern that the village declarations for La Marquesa had been under review for over 40 days without being approved. The Board's Attorney responded that the documents required some changes in order to obtain approval. Those changes were resolved as of December 20th, 2005. The final documents were delivered to the Board President for his review and signature on January 11th, 2006. The Board President indicated that he intended to review and sign the documents by January 14th, 2006.

President's Report

The President reported that the Association membership now includes over 600 land owners with 224 homes. The President also expressed his appreciation and acknowledged the work done by the volunteer members of the Board and Committees that are essential to the Association. He expressed his intention that the relocation of the west gate and construction of the east gate will be accomplished in the next 6-8 months and expressed his concern with speeding on 3 Canyons Road.

Treasurer's Report

The treasurer, Mr. Brock, distributed copies of his report. A summary of the key items in the Treasurer's Report is listed below:

Account balances as of 1/11/2006

- Regular checking account: $61,812.68;
- Capital checking account: $85,384.64;
- Capital savings account: $51,563.59;
- 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. The last principal payment was made in August, 2005. The last quarterly interest payment of $3,000.00 was made in November, 2005. The next principal payment of $47,000.00 is due November, 2006. The next quarterly interest payment is due February, 2006.

The amount of unpaid assessment owed to the Association by its members was reported as follows:

- Approximately $14,000 from Wildhorse II (this covers a 3 year period during which the association was defending itself in litigation concerning the status of Wildhorse II as property in the Homeowners Association)
- Approximately $5,000.00 from 10 members during the period 2005-2006.

The Board's Attorney reported that collection action will be commenced on February 1st, 2006 against members who have not paid these assessments.

Attorney's Report

- The Attorney reported on the status of obtaining deeds for the property associated with Three Canyons Road. Litigation will be commenced on February 1st against approximately 40 members to obtain the deeds. A member reported that he had never received any prior written notice concerning the deed. The Board's Attorney responded that if the member would stop by his office that the deed would be prepared and available for his signature.

- The Attorney reported on the status of the Wild Horse II litigation. There have been no new developments since the last board meeting.

Committee Reports

The Master Design Committee reported that approximately 2 new constructions are being approved each month. There are currently 4 homes that have not been reviewed because applications were incomplete.

Old Business

The Board reviewed proposals that had been submitted to provide management and administrative services to the Association. Questions were asked and answered concerning the cost and comparison between the proposals. Both proposals were similar in terms of costs and the functions that would be performed. Members asked questions about the software that the vendors would use, the privacy of records, the ownership of the records and additional costs for preparing and mailing documents. A member also commented that one vendor was local and the other was located in Tucson. The Committee that developed the proposals recommended that the contract be awarded to Stratford Management. A motion was made and seconded to adopt the committee's recommendation. The motion passed with 6 Board members voting for the motion and 2 abstaining.

Appeals

- An appeal was heard from Wayne Johnston concerning two parcels in Section 19 (104-27-075) that were found to be 7.83 and 7.84 acres instead of full 8 acre parcels. The Master Design Committee recommended that the appeal be approved so that these parcels would be treated as full 8 acre parcels for purposes of voting, assessments and setbacks. A motion was made and seconded to approve this recommendation. The motion carried unanimously.

- An appeal was heard from Michael Drake concerning a parcel in Section 27 (104-01-058H) that was found to be 7.95 acres instead of a full 8 acre parcel. The Master Design Committee recommended that the appeal be approved so that this parcel would be treated as full 8 acre parcel for purposes of voting, assessments and setbacks. A motion was made and seconded to approve this recommendation. The motion carried unanimously.

- An appeal was heard from Virgil McCabe concerning a parcel in Section 19 (104-27-004Z) that was found to be 7.48 acres instead of a full 8 acre parcel. The Master Design Committee recommended that the appeal be approved so that this parcel would be treated as full 8 acre parcel for purposes of voting, assessments and setbacks. A motion was made and seconded to approve this recommendation. The motion carried unanimously.

- An appeal was heard from Chito Banuelos for waiver of setback requirements to allow construction of walls. A motion was made to grant a waiver of the 20 foot setback requirement to provide only a 15 foot setback on the eastern edge of this parcel (adjacent to Lot 43) only in the vicinity of the propane tank. The motion was seconded. The owner of Lot 43 provided a letter indicating that he supported this waiver request. The motion carried unanimously. A motion was made to grant a waiver of the 20 foot setback requirement to provide only a 1 foot setback along the western edge of this parcel. The motion was seconded. The motion was disapproved by a vote of 7 for disapproval and 1 against disapproval.

- An appeal was heard from Chito Banuelos concerning reduction of a $500.00 fine levied for commencing construction of walls prior to approval by the Master Design Committee. A motion was made to reduce the fine to $250.00. The motion was seconded and approved unanimously.

New Business

The issue of establishing construction deposits was discussed. A motion was made to establish a $1,000.00 refundable and a $1,000.00 non-refundable construction deposit. The deposits were proposed for implementation effective March 1st, 2006. These deposits (totaling $2,000.00) would be submitted with applications for construction of new homes (primary residences). The non-refundable deposit would be used to fund replacement and maintenance expenses for the gates and Three Canyons Road. The refundable deposit would be held to protect against potential damage to property that might occur during construction. The refundable deposit would be returned to the member following completion of construction subject to the following conditions:

- The member would report completion of construction and request return of the refundable deposit.
- The Master Design Committee would conduct an inspection to confirm that construction was completed and that no damage had occurred.

In the event that property damage occurs during construction or is discovered by the Master Design Committee during its inspection, the owner will be asked to take corrective action. In the event that satisfactory corrective action is not completed, the Master Design Committee will take action to repair the damage and the cost of repairs will be deducted from the refundable deposit.

A motion was made to establish a $400.00 penalty for failure to report transfers of ownership within 30 days of the close of escrow, with the penalty to be implemented effective February 1st, 2006. The motion was seconded and approved unanimously.
Call to Membership

A member commented that he felt payment for the recent repairs to the chip seal on Three Canyons road was not appropriate due to the quality of the workmanship. The Board responded that they hoped to obtain more professional services for work of this type given the contract for management and administrative services that will be awarded to Stratford management. Stratford can advise us on soliciting bids and awarding contracts to qualified bidders for work of this type.

A motion was made to adjourn. The motion was seconded and carried unanimously. The meeting adjourned at 9:30 p.m.

Members are reminded that the next meeting is scheduled for April 22nd.

Carl Bromund
Secretary