

Three Canyons Ranch Master Homeowners Association
Board Meeting Minutes
June 11, 2014

(approved at Board meeting on July 19, 2014)

1. Meeting called to order at 5:26pm

a. Board Members Present:

1. Eileen McMannon - Sec. 19
2. Connie Slay - Sec. 20 east
3. John Langholff - Sec. 20 west
4. Richard Sontheimer - Sec. 21 (President)
5. Cathy Chouinard - Sec. 22
6. Mike Needham - Sec. 23 (Acting Secretary)
7. Rich Frederici - Sec. 24
8. Keith Gallew - Sec. 26 (Vice President)
9. Jack Lang - Sec. 27 (Treasurer)
10. Jim Dobis - Sec 28

b. Board Members Absent: None (Mr. Langholff arrived after agenda item 3. Mr. Gallew left at 7pm for a previous engagement.)

2. The April 8 2014 meeting was not correctly adjourned.

A motion was made and seconded to adjourn the April 9 meeting. Approved 8-0, 1 abstain.

3. Introductions and Review of Ground Rules

Presented by Rick Sontheimer – Comments and discussions limited to 3 minutes.

4. Revision and/or acceptance of Agenda.

Motion made and seconded to approve the Agenda. Approved 9-0, 1 abstain

5. Revision and/or Acceptance of April 9, 2014 Board Meeting Minutes.

Motion made and seconded to approve the minutes with one revision. Item 7.b.5 was deleted. Approved 9-0, 1 abstain.

6. Call to Membership

a. A Section 20E member provided the board a document titled, "Presentation to 3 Canyons Board" and requested it be added to the agenda of the next board meeting. The next regular board meeting is currently scheduled on 19 July, immediately after the annual membership meeting.

7. Treasurer report

As of May 31, 2014:

Commercial checking: \$17,370.83

(Construction Deposits: \$2,000.00. not included in total)

Commercial Savings: \$261,122.43

Capitol Savings: \$48.40

(East Gate Total Expenditures: \$71,787.84)

Total Assets: \$278,541.66

The treasurer requested that the Capitol Savings account, which held funds for the recently completed East Gate, now be renamed Road Savings account. 3 Canyons Road resurfacing funds will be transferred into this new account.

Motion was made and seconded to rename the account. Approved 9-0, 1 abstain.

8. Committee Reports

a. MDC - Jack Lang

The Master Design Committee (MDC) received and approved eleven (11) applications this quarter (April – June).

The MDC collected \$445.00 in fees this quarter. MDC expenses for this quarter were \$24.81.

There is two new constructions ongoing currently. The refundable construction deposits are in the Association's account.

The MDC issued one Notice of Violation letter this quarter. The violation has been corrected.

The MDC will enforce the 3 Canyons CC&Rs only for VDO residents.

The MDC welcomes the opportunity to assist the Association's members, our neighbors, to improve their property while complying with the Association CC&Rs.

b. Road -Rich Frederici

Road committee continues to repair ditches along 3 Canyons Road.

Road Committee has placed reflectors along 3 Canyons Road where culverts were installed near the east end of 3 Canyons Road.

Road committee replaced stop sign at intersection of 3 Canyons Road and Palominas Road.

Road Committee repaired the cut perimeter fence in several places along 3 Canyons Road.

Road Committee continues to work on costs to repair 3 Canyons Road surface.

c. Gate Administration - Tom Pickering

Administration

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

West Gate

The West gate continues to function with no problems. There has been no evidence of vandalism.

East Gate

The circuit boards and other electrical devices have been failing. A recording voltage meter indicated electrical spikes occurring at night. APS replaced the transformer last week and still found the spikes occurring. APS is going to replace the transformer with another type to see if this eliminated the problem.

Once we are sure the transformer output is correct, Signal Gates (our supplier) will reactivate the gates. Hopefully, this will take place late this month or early next. In the meantime the gates will remain open.

There has been no evidence of vandalism.

d. Governing Documents - John Langholff

No updates

e. Maps. Eileen McMannon

No updates

9. Update on Legal Actions

Jack Lang presented a list of Delinquent Assessments for 2013-2014 and requested the board, in accordance with the Association's policy, turn this list over to the Association Attorney for action. There are 12 delinquencies (each less than \$1,000.00) totaling \$3,654. This amount does not include any late fees. Additionally these members are not eligible to vote in the July 2014 annual membership meeting. A question was asked why the association had to wait until now to start this attorney action. According to Arizona law the Association has to wait one year before it can start legal action to collect any overdue individual assessment that is less than \$1,000.00.

Motion was made and seconded to turn the list over to the Association's attorney to start legal proceedings. Approved 9-0, 1 abstain.

New Business

10. Acceptance of New Gate Policies and Procedures

The updated Gate Policies and Procedures document will be posted on the web site by the secretary. All members are asked to read it. Additionally a letter will be mailed to all members announcing the updated policy and any actions required by the member.

Two votes were taken by the board to approve a letter to be mailed to all members announcing the new Gate Policies and Procedures.

The first motion was made and seconded to accept the letter as written. Several board members had comments and recommended changes. Because the motion was already made to accept the letter as written the vote was taken. The motion was disapproved 0 yes - 8 no, 1 abstain. (Mr. Gallew left prior to the vote.)

A second motion was made and seconded to approve the letter with revisions. Approved 7-1, 1 abstain. A copy of the 3-page letter is attached at the end of the minutes.

Two votes were taken by the board to approve the updated Gate Policies and Procedures document. The first motion was made and seconded to accept the document as written. Several board members had comments and recommended changes. Because the motion was already made to accept the document as written the vote was taken. The motion was disapproved 0 yes - 8 no, 1 abstain.

A second motion was made and seconded to approve the document with revisions. Approved 7-1, 1 abstain. A copy of the 8-page document is attached at the end of the minutes.

11. CC&R changes for the Ballot

A proposal was presented to the board to send to the membership a CC&R section 6.4 change on how section representatives on the Board are selected during the annual election. If approved by the membership this change will become effective with the board election in 2015.

Proposed

6.4 Voting for Board Members. In any election for Board members each owner shall cast their votes for the candidate to represent their Section. Each owner may divide their votes for the candidates or cumulate their votes for one candidate to represent their Section. The candidate receiving the highest number of votes from the owners in that Section will be elected to the Board for that Section.

Current

6.4 Cumulative Voting for Board Members. In any election of the Board, every owner of a Membership entitled to vote for one or more members of the Board at such election shall have the number of votes for each Membership equal to the number of directors to be elected by the election in which the Member is entitled to participate. Each Member shall have the right to cumulate his votes for one candidate or to divide such votes among any number of the candidates. The candidates receiving the highest number of votes, up to the number of the Board members to be elected, shall be deemed elected.

Justification for Change

Each Board member elected will be elected by the owners in the Section the candidate is elected to serve. Currently a Board member can be elected by votes from owners in other Sections.

A motion was made and seconded to place this proposal on the ballot for approval/disapproval by the membership. Approved 5-3, 1 abstain.

12. Change to Budget Line for Attorney

Jack Lang requested an additional line item, "Administration", be added under the Attorney section in the approved 2014/2015 budget. The request is to allow the treasurer to better track attorney costs. There is no increase in the previously approved attorney budget. The revised 2014/2015 budget will be posted to the web site.

Motion was made and seconded to add this additional line item. Approved 7-1, 1 abstain.

13. Ballot for Annual Membership meeting

The ballot will be mailed to members.

A motion was made and seconded to approve the ballot as amended/revised. Approved 8-0, 1 abstain.

14. Formation of Voting Committee

A motion was made and seconded to appoint Jerilee Mattingly, Lynn Mattingly, and Jack Lang as the Voting Committee. Jack Lang is not up for election this year so there is no conflict of interest. Approved 8-0, 1 abstain.

15. Voting Guidelines for Upcoming Annual Meeting and Election (Attached at end of minutes)

Motion was made and seconded to approve the guidelines. Approved 8-0, 1 abstain.

16. Waiver for MDC for Paint Color

Jack Lang presented to the board a request for a one-time variance approval. The MDC erroneously approved the exterior color submitted by the owners for their residence located at 8688 Rio Santiago. The MDC sent the owners an approval letter. Unfortunately this MDC error was not discovered until after the painting was completed. Because the exterior color does not conform to approved MDC guidelines a one-time variance for the exterior color was requested for approval by the board. If the board does not approve the variance then the MDC and the owners will determine a new color in accordance with MDC paint guidelines. The estimated cost for the repainting is approximately \$12,000.00 to \$13,000.00. The Association's insurance policy is expected to cover it.

A motion was made and seconded to grant the one-time variance. The vote was 5 yes, 4 no. The motion did not pass because an MDC variance requires approval by 3/4 of the voting board.

17. Call to membership

Question was asked concerning when the membership voted to approve the construction of an east gate. Another question was asked about Board minutes prior to 2003.

The President also announced that the Board is looking for an Association member to step up and take on the Board Secretary position.

18. Adjournment

Motion was made and seconded to adjourn the meeting. Approved 8-0, 1 abstain. Meeting adjourned approximately 8:30pm

VOTING GUIDELINES
(as approved by the board 6/11/2014)

1. A quorum equals 10% of the total memberships in the association.
2. Voting may be accomplished either in person or by absentee ballot.
3. Board members for even numbered sections will be elected in an even year for a two year term. ***This year's election (2014) will include Board Members for sections 20E, 20W, 22, 24, 26, and 28. (Set in bold italics for emphasis.)***
4. Within each section, the candidate with the largest number of votes will be declared the winner.
5. Voter eligibility, quorum determination, ballots (preparation, distribution and collection) will be under the control of the board of directors. Ballot counting will be handled by the voting committee. The Voting Committee will be appointed by the Board of Directors.
6. Ballots will be retained for thirty days following the election. After thirty days, the ballots will be destroyed.
7. You may vote if you own property in Three Canyons Ranch. ***(Memberships and Voting are covered in section 6 of the CC&R's).*** Each owner shall have the following number of memberships:
 - a. One membership for each full acre in each lot or parcel owned by the member, but no memberships for fractional acres, and
 - b. One membership for each one hundred (100) square feet of residential dwelling (including guesthouse) but no memberships for less than one hundred (100) square feet. E.g. A member with a 2100 square foot house on an 8 acre parcel would have 29 membership votes.
8. All members of record as of July 1, 2014 will be eligible to vote in the election to be held on July 19, 2014.
9. Non-payment of assessments for 60 days past the due date will result in loss of voting rights.
10. In order for your absentee ballot to be counted, it must be received at the Post Office no later than July 18, 2014. Please return your ballot to:

3 Canyons Ranch Master HOA
PO Box 970
Hereford, AZ 85615

3 CANYONS RANCH MASTER HOMEOWNERS ASSOCIATION

Memorandum for 3 Canyons Ranch HOA Members

June 11, 2014

From: Gate Committee, 3 Canyons Ranch HOA

1. In an effort to improve traffic control along 3 Canyons Road and to ensure Members continue to have the best possible means to access the east and west gates, we are now recertifying the access cards and remote access devices our Members are currently leasing.
2. As part of the effort, all current access codes will be cancelled 2014. If you still require an access code, you will need to re-apply using the attached form. With the establishment of the east gate, we now have automatic access out at both gates. This feature, along with the phone access feature, reduces our need for access codes. To improve overall traffic control, we are encouraging property owners to not request a code.
3. **If you are satisfied with the access devices you currently have, do nothing.** Do not submit the attached form. However, if you need additional devices please complete the attached form and mail it to the Gate Administrator at:

PO Box 1083
Hereford, AZ 85615

If you have any questions about this process, contact the Gate Administrator, John Stone, at jkmstone@netzero.net or 520-559-5291.

Thank You

Gate Committee

Attachments:

Attachment 1 – MEMBERS CARD/REMOTE GATE ACCESS REQUEST FORM

Attachment 3 – MEMBERS CODE GATE ACCESS REQUEST FORM

June 11, 2014

ATTACHMENT 3 - MEMBERS CODE GATE ACCESS REQUEST FORM

Date: _____

Member's section #: _____

Tax ID / Parcel # (example: 104-27-050J) _____ - _____ - _____

Name: _____ Phone: (____) - _____ - _____

Physical Address: _____

Mailing Address: _____

E-Mail address: _____

____ I request an access code at no charge

Checklist:

- Read 3 Canyons HOA Gate Policy and Procedure Memorandum
- Signed copy of **MEMBERSCODE GATE ACCESS REQUEST FORM**

I have read, understood and agree to abide by the Gate Policies and Procedures (**Attention to: Section 9 Violations**) as posted on the 3 Canyons HOA website (az3canyons.com) as part of my application.

Signature

____ Check here if you do not want to be displayed on the electronic directory.

*****Allow 10 working days for processing and delivery.*****

Mail application packet to:

3 Canyons HOA Gate Administration, PO Box 1083, Hereford, AZ 85615

For assistance in completing this form contact John Stone at (520) 559-5291 or at jkmstone@netzero.net.

June 11, 2014

3 CANYONS RANCH MASTER HOMEOWNERS ASSOCIATION

Gate Policies and Procedures

Amended and Revised June 11, 2014

SECTION 1: INTRODUCTION

1. 3 Canyons Ranch Master Homeowners Association, hereinafter referred to as 3 Canyons HOA utilizes two access points to provide traffic control along 3 Canyons Road. These access points are identified as the east and west gates. This memorandum identifies the policies and procedures used to manage these gates. The intent of this management is:

a. To establish a system of traffic control along 3 Canyons Road that will enhance the safety of the community and minimize trespassing.

b. To provide a process of reasonable access for the members of 3 Canyons HOA and their designated guests or renters.

c. To provide a process of reasonable access for non-members owners with legitimate business in 3 Canyons HOA property.

d. To identify administrative and legal actions that can be taken against trespassers and to members / renters who violate the policies established in this memorandum.

e. To identify the procedures the gate committee and the gate administrator will use to manage gate access.

f. Classification: Authorized Users: Persons residing on the Property (tenants or relatives), Members (owners), Guests (temporary users – not long term residents), and Service Providers (Non-Members with legitimate business). Other than those categories, the remainder are trespassers.

SECTION 2: GATES

1. Access to 3 Canyons Road is controlled by two separate gates. Access through these gates is accomplished through one of the means listed below.

a. Members:

(1) Gate Access Cards leased at a cost of \$5.00 per card.

(2) Gate Access Remotes leased at a cost of \$40.00 per remote.

(3) Permanent gate access codes issued upon request. (No charge)

(4) Temporary gate access codes issued in the event of an emergency or other authorized event. (No charge)

(5) Gate Phone Access System. This system allows members and authorized users to remotely open the gates for entry. Note: The gate system allows automatic exit.

b. Guest and Service Providers:

(1) Guest and Service Providers gain access through the gates in accordance with Section 2 and Section 3.

c. Emergency Services:

(1) Knox Box. The Knox Box is a secure means for Fire Departments, to include EMTs, to gain access to the HOA in an emergency. Use of the Knox Box is restricted for use by the fire departments that respond to emergencies affecting the 3 Canyons HOA.

(2) YELP. The YELP feature at each of the gates allows emergency services such as the police, border patrol, fire, and paramedics to enter the HOA using the “YELP” mode on their siren.

Note: Cards, remotes, and codes are the property of the 3 Canyons HOA. The 3 Canyons HOA Gate Committee has the authority to terminate gate access codes, cards, and remotes if they are being misused.

SECTION 3: ADMINISTRATION

1. The 3 Canyons HOA gate access management system provides access to members of 3 Canyons HOA, their authorized users and service providers with legitimate business in 3 Canyons HOA:

a. Members and Authorized Users. 3 Canyons HOA members access their property using gate access codes, cards or remotes. Codes are issued by the gate committee at no charge if requested by the member. Members may also lease gate access cards and/or remotes. See attachment 1. Member Access, for instructions on how to request gate access. Members are responsible for providing their renters with gate access means and must contact the gate administrator to establish a renter account. Renters will be provided access codes, cards and/or remotes as determined by the Gate Committee.

b. Guests. Members and authorized users provide access to their guests by using the entry gate phone system.

c. Service Providers with Legitimate Business in the 3 Canyons HOA are granted access through the gates as determined by the gate committee based on requirements stated by the service provider. See attachment 2, Service Provider, Gate Access Request Form, for instructions on how to request gate access.

SECTION 4: GATE ADMINISTRATOR

1. Access to 3 Canyons HOA is managed by the 3 Canyons Gate Administrator who is appointed by and serves at the pleasure of the 3 Canyons HOA Board of Directors. The Gate Administrator governs the access to 3 Canyons HOA Property by using the policies, procedures and forms included in this memorandum and posted on the 3 Canyons HOA website. The Administrator:

a. Processes access requests submitted by Members and Authorized Users in accordance with policies established by the Gate Committee. Access requests will be submitted in accordance with instructions in attachments 1, 2 and 3 through the USPS to the following address:

Gate Administration
PO Box 1083
Hereford, AZ 85615

The Gate Administrator will process these requests within 10 working days. For requests requiring faster completion, the Gate Administrator can be contacted directly at: John Stone's Cell Phone – (520) 559-5291 or John Stone's email – jkzmstone@netzero.net.

b. Maintains the gate access database for both the east and west gates.

c. Maintains security logs and reports code, card or remote misuse to the Gate Committee.

d. Assists users in resolving access-related issues.

e. Maintains temporary access codes to allow members and authorized users access to 3 Canyons HOA in the event of an emergency or other authorized event. The primary means of contacting the administrator is through his cell phone to ensure the quickest possible action.

SECTION 5: GATE COMMITTEE

The Gate Committee manages gate access and provides assistance to the gate administrator in accordance with this policy memorandum. Actions and decisions by the Gate Committee may be appealed to the Board. Appeals must be made in writing and sent in a certified letter to the following address:

3 Canyons Ranch Master Homeowners Association
PO BOX 970
Hereford, AZ 85615
Attn: Board of Directors

SECTION 6: TREASURER

1. The Treasurer provides instructions to the Gate Committee concerning the processing of funds collected and any required reports.

2. The treasurer assists the Gate Administrator in submitting fees collected to the bank.

SECTION 7: MEMBERS AND AUTHORIZED USERS

1. Members may lease access cards at a cost of \$5.00 per card based on the number of vehicles in the household. Members may also lease remote gate openers at a cost of \$40.00 per remote based on the number of vehicles in the household. Upon request, members are provided a gate access code at no charge.

2. Members requesting gate access for 3 Canyons HOA Property must first complete a members gate access application, agree to the terms and conditions of gate access and provide all requested information. See attachment 1 of this document.

3. Members must notify the gate administrator of other persons residing on their property (“Authorized Users”) who require gate access. Members are responsible for the proper use of all access devices provided to Authorized Users.

4. Members and Authorized Users may only provide their guests access to 3 Canyons HOA Property by using the gate phone access system.

5. Guests and service providers can request access by dialing the Members or Authorized Users by means of the gate control box phone. To allow access the Member or Authorized User dials the number “9” from their touch tone phone. Note: This process will work with either a conventional or a cell phone. However, it requires a Member or Authorized User to have a local number. The gate is not configured to accept long distance calls.

SECTION 8: SERVICE PROVIDERS

1. 3 Canyons HOA is a private, residential area. Access is permitted only to Members, Authorized Users, guests and service providers. A service provider may lease gate access cards at a one-time cost of \$5.00 per card or remote gate access devices for \$40.00 per device. Defective cards or remotes can be exchanged at no additional cost upon written explanation of the need for such exchange.

2. Gate access devices are intended for use ONLY by the individual and/or organization submitting this Service Provider application. The individual and/or organization applying for the gate access device(s) will be responsible for the proper use of the issued access devices. Access devices may not be shared. Non-compliance may result in access being revoked or access conditions modified.

3. Service Providers may access 3 Canyons HOA by means of the phone access system.

4. In some situations a requested number may be issued upon approval of the Gate Committee.

Note: There are some service providers whose services are so critical to the safety and well-being of the community that the gate committee may waive access fees.

SECTION 9: VIOLATIONS

1. Members and Authorized Users:

a. Members and Authorized Users that knowingly violate gate access policy are subject to administrative action as determined by the Gate Committee. Violating gate access policy is providing an access code, card or remote to an individual or organization that is not authorized to have it.

b. Upon a first time violation of gate access policy by a member or authorized user, the Gate Committee will mail a certified letter to the member explaining the violation and warning the member that future violations by the Member or Authorized User will subject the member to monetary fines in accordance the following schedule:

(1) Second Violation - \$25.00

(2) Third Violation - \$50.00

(3) The fourth and all subsequent violations will be fined at a rate of \$100 each.

c. Upon a second and subsequent violation of the gate access policy, the Gate Committee will mail a certified letter to the member explaining the violation and the fine imposed upon the member. Members wishing to appeal the fine must contact the 3 Canyons HOA Board by Certified Letter within 10 working days.

SECTION 10: TRESPASSING

1. Individuals or organizations entering 3 Canyons HOA without authorization are considered trespassers and are subject to criminal and/or civil penalties. The 3 Canyons HOA board will pursue trespassers as advised by legal counsel.

2. To avoid possible administrative or legal action, 3 Canyons HOA Members should not assist individuals or organizations in trespassing within 3 Canyons HOA.

3. The Gate Committee reports all trespassing incidents to the Cochise County Sheriff's Department and the 3 Canyons HOA attorneys for criminal and civil action.

ATTACHMENT 2 – SERVICE PROVIDER GATE ACCESS REQUEST FORM

Date: _____

Business Name: _____ Phone: (____)-____-_____

Physical Address: _____

Mailing Address: _____

E-Mail address: _____

____ # of gate access cards requested. (\$5.00 each)

____ # of gate remote access devices requested. (\$40.00 each)

Request is subject to approval by the gate committee.

Justification: (Include how many vehicles you need access for. If gate remotes are requested please state why these devices are needed instead of cards. If a code or code(s) are requested please state why these codes are needed instead of cards)

Print Name, Position / Title

Signature

*****Allow 10 working days for processing and delivery. Please make checks payable to 3 Canyons Ranch Master Homeowners association. *****

Mail application packet to:

3 Canyons HOA Gate Administration, PO Box 1083, Hereford, AZ 85615.

For Assistance in completing this form contact John Stone at (520) 559-5291 or at jkmstone@netzero.net.

