Minutes of the Meeting of 3 Canyons Ranch
Master Homeowners Association (MHOA)
Regular Quarterly Board of Directors (BOD) Meeting
April 11, 2007, 5:30 PM, at La Purisima Center

Board Members Present:
Gary Brock, Lois Bloom, Pat Kirk, Greg Chouinard, Ron Slyter, Rich Frederici, Frank Diaz, Carl Bromund, Richard Dirks

Officers:
President, Carl Bromund
Vice President, Richard Dirks
Secretary, Greg Chouinard
Treasurer, Gary Brock

Call to Order
The meeting was called to order at 5:30 PM by President, Carl Bromund

Introduction of Board Members
The Board Members introduced themselves to the Membership.

Acceptance of Agenda
A motion was made and seconded to adopt the meeting agenda. The motion to adopt the meeting agenda was carried unanimously.

Acceptance of February 2, 2007 MHOA Board Meeting Minutes
A motion was made and seconded to accept the minutes from the Board of Directors (BOD) meeting of February 2, 2007. The motion to accept the minutes was carried unanimously.

Call to Membership
One member requested the floor.

Committee Reports:

Master Design Committee (MDC)
A report was given by Chairman Rich Frederici. Mr. Frederici said the committee has approved no new homes in January, one in February, two in March, and none in April yet.
A motion was made and seconded to approve an entrance monument for the La Pradera Development in section 21. The motion was carried unanimously.

Mail Committee
A report was given by Chairman Jack Lang. Mr. Lang presented a drawing of cluster mailbox examples and discussed related issues.

Gate Committee
A report was given by Chairman Tom Pickering. Mr. Pickering said Castle & Cook will be paying their portion of the cost for maintaining the West gate.
President Carl Bromund added that any gates installed in 3 Canyons are NOT represented as security gates, and are to be considered as access control only.

Council of Presidents
President Carl Bromund reported that the Council (which includes Dave Hamilton of Vista Del Oro and Dale O'Neill of Deer Ridge) is meeting on a quarterly basis with no recommendations to report to the Board at this time.

Old Business:
VDO Village Status
Board Member Lois Bloom presented argument for considering VDO status is a Village.

New Business:
1. Consideration of Pete Hooper as Board Member from Section 20 East
A motion was made and seconded to appoint Pete Hooper as Board Member representing Section 20 East. The motion was carried unanimously.

2. Revision of Voting Guidelines
A motion was made and seconded to adopt the Voting Guidelines as drafted. The motion was carried by a vote of 8 for, 1 opposed. See Voting Guidelines on pages 4 and 5.

3. Date for Annual Meeting
A motion was made and seconded to change the date of the Annual Meeting to July 21st. The motion was carried unanimously.

4. Revision of Master Design Guidelines
A motion was made and seconded to amend the draft guidelines. (The following is to be added after the fee schedule on page 7: "All fees and deposits collected by the Master HOA via the Master Design Committee will be included as general revenue.") *The motion was carried unanimously*
A motion was made and seconded to adopt the amended draft Master Design Guidelines. The motion was carried by a vote of 8 for, 1 opposed.

5. Revision of Standard Collection Procedures
A motion was made and seconded to adopt the Standard Collection Procedures as drafted. The motion was carried unanimously. See Standard Collection Procedures on page 5.

6. Commercial Banking Account
A motion was made and seconded commence a commercial banking account lock box with Chase Bank. The motion was carried unanimously.

7. **Treasurers Report Board Meeting / April 11th, 2007**
Account balances as of March 31st, 2007

Regular Checking Account: $51,952.07
(Balance after subtracting refundable construction deposits of $9,000 = $42,952.07)

Capital Checking Account: $12,648.96

Capital Savings Account: $57,403.04
(Total in capital accounts $70,052.00)

Assessments outstanding from 2006-07: $6,666.00

Chase Bank Loan Balance: $0 (Loan was paid off February 1st, 2007 - $91,206.70)

Gary Brock, Treasurer

8. Budget for July 1, 2007 to June 30, 2008
The regular assessment rate for the year July 1, 2007 to June 30, 2008 was established at $8.40 per membership. No decisions on Capital Assessments were made at this meeting, but future meetings may 1) consider the final gate design proposals and other information (related to Three Canyons Road and mailboxes) and 2) revisit the Capital Budget and Capital Assessment.
A motion was made and seconded to adopt the Regular/General Budget as amended. The motion was carried by a vote of 8 for, 1 opposed. See Regular/General Budget on page 6.

Appeals:
Ray
A motion was made and seconded to approve Mr. Rays appeal. (To allow the exterior color) *The motion was carried by a vote of 6 for, 2 opposed, 1 abstain.*

Call to Membership
One member requested the floor.

Adjournment:
A motion was made to adjourn. The motion was seconded and was carried unanimously
The meeting was adjourned at 9:26 PM.

Submitted By: Greg Chouinard, Secretary

VOTING GUIDELINES (approved by the Board April 11, 2007)

1. A quorum equals 10% of the total memberships in the association.

2. Elections are held in conjunction with the Annual Meeting of the Membership and at other times as needed. The Annual Meeting is normally held in July with the exact date, time and location announced on the 3 Canyons Ranch HOA Website at http://www.az3canyons.com . An announcement concerning the Annual Meeting will be mailed to all members.

3. Voting may be accomplished either in person or by absentee ballot.

4. Effective July 1, 2007, there may be a total of 10 Board Members. Board members will represent the following sections: 19, 20 East, 20 West and 29 (combined), 21, 22, 23, 24, 26, 27 and 28.

5. Board members for odd numbered sections will be elected in an odd year for a two year term. ***This year's election (2007) election will include Board Members for sections 19, 21, 23, and 27. (set in bold italics for emphasis.)***

6. Board members for even numbered sections will be elected in an even year for a two year term. Next year's election (2008) will include Board Members for sections 20 East, 20 West and 29 (combined), 22, 24, 26 and 28.

7. Members who desire to have their name placed on the ballot for election as a Board member will submit a written request to the President of the Board of Directors no later than June 13, 2007.

8. Within each section or combined section, the candidate with the largest number of votes will be declared the winner.

9. Any other candidates will be placed on an "at large" list. Those candidates on the "at large" list with the highest number of votes (not representing a section) will represent those sections that do not have a representative.

10. 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.

11. Ballots will be retained for thirty days following the election. After thirty days, the ballots will be destroyed.

12. 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:

- One membership for each full acre in each lot or parcel owned by the member, but no memberships for fractional areas, and
- 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.

13. All members of record as of July 1, 2007 will be eligible to vote in the election to be held in July 2007.

14. Non-payment of assessments for 60 days past the due date will result in loss of voting rights.

Standard Collection Procedures

(Approved by the Board April 11, 2007)

The following procedures shall apply to collection of past due assessments concerning members of the Three Canyons Ranch Homeowners Association:

1. The Board of Directors will receive a report of past due assessments from the Association's bookkeeper, 30 days after the initial due date for payment.

2. The Board of Directors will confirm the address of member(s) as recorded in records of Cochise County Assessor.

3. A "30 Days Past Due Notice" will be sent to the member via certified mail by the Treasurer.

4. If no payment is received (within 30 days of the past due notice being sent in step 3 above), the Board will make and pass a motion to turn over delinquent assessments to the Board's Attorney for collection.

5. The Board's Attorney will send "a demand for payment within 10 days notice" to the member.

6. If no payment is received (within 10 days of the past due notice being sent in step 5 above), the Board's attorney will initiate appropriate legal action.

Budget – Regular/General Operating Account - July 07 thru June 08

Income

Regular assessments 2007-08: 10,000 memberships (x) **$8.40** =	$84,000
Non-refundable building fees: 18 homes (x) $1,000.00 =	$18,000
Master design review fees: 18 homes (x) $200.00 =	$3,600
Transfer fees: 48 transfers (x) $150.00 =	$7,200
Projected carry over from 2006-07:	$36,000
Settlement check from Ernie Graves:	$55,000
Credit from Castle & Cooke for West Gate	$21,000
Total Income:	**$224,800**

Expenses:

Move and install new West Gate:	$90,000
Attorney: (legal: $1,500 month) + (litigation $6,000 year)	$24,000
Culvert & Drainage Ditch Maintenance 3 Canyons Road:	$20,000
Road Maintenance 3 Canyons Road (road maint $10,000, mowing $4,000, weed control $2,000):	$16,000
Financials - Book Keeping & Billing out Assessments:	$12,000
Gate Maintenance (2 gates):	$7,000
Mail Boxes Project:	$5,000
Fence Maintenance:	$3,000
Lock Box Fee Chase Bank	$3,000
Property Taxes Common Ground & Road Easements:	$3,000
Board / Officers Liability Insurance:	$2,000
Committee Office Supplies:	$2,000
Master Design Administrative Assistant:	$2,000
Gate Control Management / Administrative:	$2,000
Gate Insurance (2 gates):	$2,000
Electric (2 gates):	$1,400
Telephone: (2 gates):	$1,400
Postage:	$1,000
Printing:	$1,000
Maps (updating map of 3 Canyons Ranch MHOA):	$1,000
Meetings Room Facility Fees (board & annual meetings):	$600
CPA Annual Review:	$500
Web Site Hosting:	$250
PO Boxes (2 Boxes):	$150
Total Expenses:	**$200,300**
Projected Reserve:	$24,500

Note: If gate proposal is not approved by members, these funds will go into the reserve.

The increase in the general assessments for the next fiscal year is necessary to begin to build reserves for major road repair to avoid capital assessments in the future.