

**Minutes of the Meeting of 3 Canyons Ranch
Master Homeowners Association (MHOA)
Special Board of Directors (BOD) Meeting
March 24, 2008, 5:30 PM, at La Purisima Center**

Board Members Present:

Gary Brock, Lois Bloom, Greg Chouinard, Ron Slyter, Kenny Ellingson,
Carl Bromund, Evans Guidroz

Officers:

President, Carl Bromund
Vice President, Frank Diaz
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 January 9, 2008 MHOA Board Meeting Minutes

A motion was made and seconded to accept the minutes from the Board of Directors (BOD) meeting of January 9, 2008. The motion to accept the minutes was carried unanimously.

Call to Membership

No members requested the floor.

Gate Committee

A report was given by Tom Pickering. (See attachments on pages 3-5) Mr. Pickering answered many questions from the Membership.

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Board Motions Concerning Gate Committee Report

A motion was made and seconded to make the following changes to the proposed Gate Relocation, Lease, And Reciprocal Easement Agreement:

1. The caption of the Agreement should reflect the accurate name of the Association as “3 CANYONS RANCH MASTER HOMEOWNERS ASSOCIATION, an Arizona non-profit corporation”
2. The following should appear as the last sentence of paragraph 3: “Castle & Cooke shall complete construction of the new monument within one year after execution of this Agreement”

3. Change the middle of paragraph 5 concerning the designation of the land accessed by the gate from “Three Canyons Development” to the following: “3 Canyons Ranch as described in Document 951024838, records of Cochise County, Arizona as amended from time to time.”
4. Change paragraph 10 to read as follows: “10. Mutual Indemnification. The parties mutually agree to indemnify, defend, and hold each other harmless from and against any and all claims, losses, and/or liabilities (including reasonable attorneys’ fees) arising from or in connection with the New Gate, the New Monument, the New Gate Area, and/or the property subject to or adjoining the lands leased under this Agreement, and/or the use and/or maintenance thereof, arising from or in connection with their respective negligent or tortuous acts or omissions or breach or default of their obligations under this Agreement.”

The motion was carried unanimously.

After considerable discussion, the Board determined that no further changes be made.

Call to Membership

Several members requested the floor.

Adjournment:

A motion was made to adjourn. The motion was seconded and was carried unanimously
The meeting was adjourned at 7:07 PM.

Submitted By: Greg Chouinard, Secretary

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ATTACHMENTS

WEST END GATE INFORMATION SHEET

Fellow 3 Canyons Master Home Owners Association Members

It has been almost a year since our gate on the west end of 3 Canyons Road was removed. Since that time we have experienced an increase in traffic, increase in speeding, excessive passing, several roll over accidents including one fatality and an increase in noise. All of these things increase our exposure to litigation as we, as owners of a private road are ultimately responsible and liable.

We now have a unique, one time, and limited opportunity to partner with Castle & Cooke on the construction of a new gate.

Some of the questions you may ask are:

1. Why is Castle & Cooke agreeing to build the structure (monument) on their land at their cost?

Castle & Cooke realizes that their property will be more valuable if they can reduce the traffic on 3 Canyons Road. (Exhibit A - Gate Relocation Lease and Reciprocal Easement Agreement)

2. Why don't we give 3 Canyons Road to the county and let them maintain it?

The county requires the road to meet county road specifications (**per state law**) before they can accept it into their system. The county estimates the cost to do this work will exceed **six million dollars**. Also, the easement East of Kings Ranch Road is only 70' wide and they are requiring 80' to 100' depending on drainage. In addition, 3 Canyon HOA members will be totally responsible for the entire cost including any additional land purchases. (Exhibit B – Letter from Cochise County Highway and Floodplain department dated September 11, 2007)

3. Who has a legal right to use 3 Canyons Road?

Only 3 Canyons Master HOA members and their guests have a legal right to use 3 Canyons Road. Residents of Rio Santiago South have a legal right to use 3 Canyons Road between Rio Santiago Road and Palominas Road. They do **not** have legal access on 3 Canyons Road going West to Hwy. 92.

4. Do all of 3 Canyons residents have a legal right to use 3 Canyons Road going West to Hwy. 92?

Only owners West of mile marker 1 were granted legal use of the first one half mile of 3 Canyons Road. While it can be argued that we have been using the road for over 10 years (prescriptive easement) and we have the right through the ownership of the road easement by Vista del Oro, the Castle & Cooke agreement would close all doors as it spells out our right to use this portion of road.

5. What is our liability with 3 Canyons Road?

As members of 3 canyons Master HOA we have the sole liability for 3 Canyons Road.

6. Why not leave the road the way it is without a gate?

Leaving the road without a gate can only increase our liability.

7. How will we manage the gate access better than in the past? It seems “everyone” has a code or remote opener.

By employing professional gate management and using access analysis. This will allow us to identify and reduce illegal entries. In the past several volunteers were used to manage the gate codes with limited success. Also, the new remote openers can not be copied.

8. It seems like the gate is always down for repair, how will we prevent this in the future?

We will require the gate supplier to offer a fixed cost maintenance contract. Again this was handled in the past by volunteers with limited success.

9. What will the new gate look like?

It will be similar to the gates installed on the South side of 3 Canyons Road by Castle & Cooke. It will have stone work of both sides.

10. How will we pay for our portion of the gate and will there be an increase in our assessment?

Monies for our portion of the gate have all ready been allocated. There will be **no increase in assessments**.

While the gate is not a perfect solution, it should affect the following:

- Reduce our liability
- Reduce traffic
- Reduce speeding
- Reduce accidents
- Reduce road maintenance cost
- Increase security
- Reduce noise
- Reduce dumping

While these items will vary in importance for each member, it is hoped that you will feel the benefits of a gate outweigh the negatives and that you will vote in the affirmative on your ballot. This is a one time, limited opportunity to partner with Castle & Cooke.

The gate proposal is unanimously supported by the board of directors and has been reviewed by our attorney.

Attachments:

Exhibit A – Gate Relocation Lease and Reciprocal Easement Agreement. (See: 1) [Revised gate lease and easement agreement](#) on 3 Canyons Website Homepage)

Exhibit B – Letter from Cochise County Highway and Floodplain Department dated September 11, 2007. (See October 10, 2007 Board Meeting Minutes, pages 3 and 4)

WEST GATE COST ESTIMATE

The following is based primarily on a quote from Signal Gates, the supplier of the Castle & Cooke gates and represents our cost.

1. Gate with 500 resident memory-upgradable-----	\$37,890 + tax
2. Egress control-----	\$3,150 + tax
3. Gate painting-----	\$1,500
4. Landscaping-----	\$3,000
5. Signage/rumble strips-----	\$3,000
6. Lighting-----	\$3,000
Sub-total	\$51,540
7. Contingency (10%)-----	\$5,154
Total Estimate	\$56,694 + tax

Not included

- 500 remote controllers (\$23 each, purchased directly by members)
- 100 gate cards (\$3 each, purchased directly primarily by vendors and other non-residents)
- 1st year maintenance (\$220 per month)
- 2nd year and beyond maintenance (\$360 per month)
- Security system
- Maintenance for first one half mile of 3 Canyons Road.

Because Castle & Cooke will either slurry seal or chip seal 3 Canyons road after completion of all site and street work, maintenance should not exceed \$500 per year for the first 10 years.