

3 Canyons Ranch Master Homeowners Association (HOA)
Board of Directors (BOD) Meeting
July 5, 2006

Board Members Present: Ron Slyter, Jerry Chouinard, Chris Carson, Gary Brock, Rich Frederici, Carl Bromund, and Pat Kirk.

Call to Order

The meeting was called to order at 5:35 PM.

Adoption of Agenda

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

Approval of Minutes from Prior Meeting

A motion was made to approve the minutes from the Board of Directors (BOD) meeting on June 14, 2006 subject to amending them to indicate that "The issue of the VDO and Wild Horse Capital Assessments was discussed. However, no decisions were taken concerning this issue." The motion to approve the minutes was seconded and carried unanimously.

Call to Membership

A member asked for the status of the East Gate. The Board reported that survey and design work is underway and a report is expected in mid-August.

A member asked for the status of the quit-claim deed from the Village of Vista Del Oro (VDO). The Board responded that the status would be determined and the Board of VDO would be advised.

President's Report

The President, Ron Slyter, expressed his concern about speeding along 3 Canyon's Road. He reported that the possibility of hiring off-duty police officers to issue citations is being researched. He also reported that the installation of a gate at the east end of Three Canyons would also assist in reducing the number of trespassers.

New Business

The President asked the Secretary, Carl Bromund, to introduce the topic of the VDO and Wild Horse Capital Assessments. The Secretary reported that the Board has attempted to collect data on the 1999 decision. This data collection included a review of the meeting minutes from 1999, conversation with the Board President from 1999, a written opinion and conversations with the Board's attorney and conversations with Stratford Management.

This information supports the conclusion that collection of assessments is required from all members. If the action in 1999 had achieved a vote of greater than 80% and had been

properly recorded as an amendment to the CC&R's, the past practice as it relates to not collecting capital assessments from VDO and portions of Wild Horse could be supported. A copy of the applicable sections of the CC&Rs (sections 7.9 and 20.1) was distributed. These sections are also included as enclosure (1) to these minutes.

It was reported that an amendment to the CC&R's could be developed and presented to the membership to properly accomplish this waiver of capital assessments. Any amendment of this type would need to meet the conditions in section 20.1 of the CC&R's including an approval vote from the membership greater than 80%.

At that point a variety of concerns, criticisms and questions were presented from the membership. Many members present voiced their disagreement concerning the Board's conclusion.

The Board did pass 2 motions. The first motion was to change the due date for capital assessments to July 31st. The main intention was not to disqualify anyone from voting at the annual meeting (because unpaid assessments result in a loss of "member in good standing" status and negate votes cast by such members).

The second motion was to obtain a legal opinion from Carolyn Goldschmidt to determine if the board action in 1999 and past practice of not collecting these assessments provided any legal basis for the board to continue "not collecting" these assessments. Both motions were seconded and carried unanimously.

Adjournment

A motion was made to adjourn. The motion was seconded and carried unanimously. The meeting was adjourned at 8:15 PM.

Enclosure (1)

Excerpts from Covenants, Conditions, & Restrictions (CC&R's) for 3 Canyons Ranch

Section 7.9 – Page 41

No Offsets. All Assessments shall be payable in the amount specified in the Assessment or notice of Assessment and no offsets against such amount shall be permitted for any reason, including, without limitation, a claim that (a) the Master Association, the Board, or Investor is not properly exercising its duties and powers as provided in this Master Declaration; (b) Assessments for any period exceed Common Expenses; or (c) an Owner has made, and elects to make, no use of the Master Common Areas.

Section 20.1 – Page 61

Amendment to Master Declaration. Amendments to this Master Declaration shall be made by an instrument in writing entitled "Amendment to Master Declaration" which sets forth the entire amendment. Except as otherwise specifically provided in this Master Declaration, any proposed amendment must be approved by a majority of the Board prior to its adoption by the Members. Amendments may be adopted at a duly held meeting of

the Members upon the affirmative vote of a Majority of Members, or without any meeting if all members have been duly notified and if a majority of Members consent to such amendment in writing. In all events, the amendment when adopted shall bear the signature of the President or vice president of the Master Association and shall be attested by the secretary or assistant secretary of the Master Association, who shall state whether the amendment was properly adopted, and shall be acknowledged by them as officers of the Master Association. Amendments once properly adopted shall be effective upon recording of the Amendment to Master Declaration in the appropriate governmental offices, or at such later date as may be specified in the amendment. Notwithstanding the foregoing provisions of this Section 20.1, votes attempting to change Land Use Classifications or density or intensity of uses or relating to Assessments shall require and eighty percent (80%) vote of those Memberships voting.