Minutes of the Meeting

3 Canyons Ranch Master Homeowners' Association (MHOA)

Quarterly Board of Directors (BOD) Meeting

Wednesday, April 13, 2011 at 5:30 pm at La Purisima

Board Members present: Greg Chouinard (22), Linda Gleason (19), Rich Frederici (24), Jack Lang (27), Connie Foust (20E), John Langholff (20W), Rick Phillips (21) and Mike Needham (23).

Officers present:
President, Greg Chouinard
Treasurer, Jack Lang
Secretary, Linda Gleason

Meeting was called to order at 5:38 pm by, Greg Chouinard, presiding officer.

4) **Revision and/or Acceptance of January 12, 2011Board Meeting Minutes**
A motion was made and seconded to accept the minutes from the January 12, 2011 Board meeting. The motion was passed by a vote of 8-0.

5) **Call to Membership**
No members requested the floor.

6) **Treasurer's Report**
The Treasurer's report was given by Jack Lang, Treasurer. (See Attachments page 6)

7) **Committee Reports**

West Gate Committee:
A verbal report was given by Chairman, Tom Pickering.
He reported that the gate was functioning without problem.
He agreed to set up another trespassing sting and signed up volunteers willing to help.
He also said that all inquiries concerning gate numbers, openers, temporary numbers etc., should be addressed to John Stone, gate administrator, at john.stone@usarmy.mil His phone number is (520) 559-5291. This information will also be posted on the 3 Canyon's Ranch Master Homeowner's website, which is www.az3canyons.com.

Master Design Committee:
A report was given by Chairman, Jack Lang. (See Attachments, page 7)

East Gate Design Committee:
Chairman Greg Chouinard said that he had submitted a letter of resignation from this committee. The committee will be looking for a new Chairman.

Road Committee:
Rich Frederici gave a verbal report. He said that reflectors had been installed to warn drivers of culverts at the various connections to Three Canyons Road. The 60 foot culverts for roadways are lined with 4 yellow reflectors. The 30 foot culverts for driveways are lined with 2 white reflectors. He said that weather was almost warm enough for road patching and that this activity might be possible as soon as next week. The written report was prepared by Chairman, Jim Dobis. (See Attachments, page 8)

Governing Documents Committee:
A verbal report was given by Chairman, John Langholff. See agenda item 9, Rules for CC&R's 4.2.6 Parking, page 3 and Attachments, page 9. Also see agenda item 14, Amend Existing Rules, page 4 and Attachments, page 15, for this information.

Old Business

8) Collection of Two Delinquent Assessments from fiscal Year July 1, 2008 to June 30, 2009.

After consultation with our attorney by the President, the Board decided to take action against the two remaining delinquent assessments that have remained unpaid for 3 years.

A motion was made and seconded to initiate Judgment lien proceedings against Friedman to collect $136 owed plus any associated legal fees for the past due assessments. The motion passed by a vote of 8 to 0.

A motion was made and seconded to initiate foreclosure proceedings against parcel #104-01-285A, owned by Timber Ridge Properties, LLC for the past due assessments. The motion passed by a vote of 8 to 0.

9) Create rules for CC&R 4.2.6 Parking

A motion was made and seconded to accept the proposed rule to clarify CC&R section 4.2.6 as amended. The motion passed by a vote of 6 to 2. (See Attachments, page 9)

New Business

10) Budget for upcoming Fiscal Year (July 1, 2011 to June 30, 2012)

A motion was made and seconded to approve the proposed budget as amended. The motion passed by a vote of 6 to 1. (See attachments, page 10)

11) Establishment of Annual Assessment Rate for upcoming Fiscal Year (July 1, 2011 to June 30, 2012)

A motion was made and seconded to leave the annual assessment rate at $12 per membership. The motion was defeated by a vote of 1 to 6.

A motion was made and seconded to set the 2011 assessment rate to $10 per membership. The motion passed by a vote of 4 to 3.

12) Voting Guidelines for the 2011 Annual Meeting and Board Elections

A motion was made and seconded to accept the proposed voting guidelines for 2011. The motion passed by a vote of 7 to 0. (See Attachments, page 11-12)

13) Amend the Meetings Coordinator Description

A motion was made and seconded to accept the proposed amendment to the Membership Meetings Coordinator job description Duties. (See Attachments, page 13-14). The motion passed by a vote of 7 to 0.

14) Amend some HOA Rules

A motion was made and seconded to adopt the rules as amended. The motion was approved by a vote of 7 to 0. (See Attachment, page 15 for the amended HOA rules. These rules will also be changed on the 3 Canyons Ranch Master Homeowners Association website.)

15) Setback Variance Requests

a) A motion was made and seconded that the Board grant Mr. Pietrusiewicz's variances of 95.2 ft. And 86.4 ft. from his east lot line. The motion passed by a vote of 7 to 0.

b) A motion was made and seconded to accept the variance for the Jeff & Ann Jones barn as 50 ft. from the north lot line. The motion passed by a vote of 6 to 1.

c) A motion was made and seconded to accept the Willard variance request to extend the barn to a point that is 50 ft. from the north lot line. The vote was 4 to 3. Therefore, the motion failed a ¾ vote that is necessary for this variance request.

d) A motion was made and seconded to accept the DT well share variance to put a structure with a setback of 40 ft. south and 20 ft. to the west on parcel 108B. The motion passed by a vote of 7 to 0.

e) A motion was made and seconded to accept the James W. Jones Jr. variance setback of 80 ft. from the north lot line, a 3 ft. height variance and a 600 square foot variance on size to the proposed storage barn. The motion failed by a vote of 1 to 6.

16) January Board Action Questions

a) Was the appointment of Rick Phillips to represent section 21 Counter to section 5.3 of the CC&Rs? Discussed. No action taken.

b) Grading of all roads in 3 Canyons HOA? Discussed. No action taken. (See CC&R 7.2.)

Addendum to April 13 meeting:
Connie Foust announced her resignation from the Board of Directors at this meeting. The Board of Directors position for section 20E is open. Any member from section 20E interested in filling this position should contact one of the Board members.

17) Call to membership

No members requested the floor.

18)Adjournment

The meeting was adjourned at 10:45 pm.

Submitted By: Linda Gleason, Secretary

Attachments

Treasurers Report

For Board Meeting of 4-13-2011

Financial Statement

3 Canyons Ranch HOA

April 1, 2011

Commercial Checking	**$263,723.66**
Capitol Checking	**$ 2,549.92**
Capitol Savings	**$ 69,119.38**
Total	**$335,392.96**

Submitted by Jack Lang, Treasurer

Master Design Committee Report

13 April 2011

The Master Design Committee (MDC) received and approved twelve (12) applications this quarter (February – April). One of the applications received was for new construction. One of the applications received was for an extension of new construction.

Five of the applications received require Board action (variances requested).

The MDC collected $550.00 in fees this quarter and one $1000.00 refundable construction deposit. MDC expenses for this quarter were $0.00.

There are five new constructions ongoing currently. The refundable construction deposits are in the Association's account. There are also two new constructions ongoing in the Wild Horse II subdivision..

The MDC is rewriting the Master Design Guidelines for clarity and ease of use by the Association members. The Guidelines will be submitted to the Board for approval at the June meeting.

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

Jack Lang

MDC Chairman

3 Canyons Road Committee Report

for

First Quarter 2011
as of

13 April 2011

1. Installation of driveway and road reflectors to prevent culvert damage.

2. Purchased and installed AB mix (gravel) over 6 roadway culverts.

3. Budget for 2010 – 2011 has been developed and submitted to Treasurer.

Submitted by Jim Dobis, Road Committee Chairman

Rule For Section 4.2.6

as authorized by Section 5.4. of the Three Canyons CC&Rs

Exceptions to CC&R Section 4.2.6

(1) Properly licensed, registered, and operable vehicles such as passenger vehicles, truck models of one ton or less, and motorcycles are allowed to be parked on a garage apron, driveway, or other MDC approved area. At no time shall more than 3 vehicles belonging to a resident or residents be allowed to park in an unscreened area.

(2) Emergency repairs, or repairs to enable a vehicle to be relocated to an appropriate repair facility are allowed for a duration not to exceed 24 hours.

(3) Guest parking for recreational vehicles will be allowed on a driveway, garage apron, adjacent to an electrical hook-up, or other MDC approved parking area with prior MDC approval.

Submitted by John Langholff, Chairman of the Governing Documents Committee

3 Canyons Ranch MHOA Budget
Fiscal Year 07/01/2011 - 06/30/2012

Projected Income			
Regular Assessments	10500 Memberships (X)		105,000
		10	
Projected Expenses			
Administration			11,800
Board		6,000	
Master Design Committee		200	
Gate Committee		3,600	
Road Committee		0	
Documents Committee		1,000	
East Gate Committee		1,000	
Accounting/CPA Review			2,500
Attorney			20,000
Attorney Services		8,000	
Litigation		12,000	
Insurance			3,900
Board Officer Liability		1,600	
Road /Umbrella Liability		1,800	
Gate		500	
Lockbox Chase Bank			2,400
Taxes			4,000
West Gate Committee			16,700
Warranty/Maintanence		4,200	
Utilities (SSVEC & Quest)		1,000	
Projects (Curbing, Culvert, Lighting)		7,000	
Gate Maintenance		4,500	
Road Committee			20,000
Road Repair/Patching		10,000	
Mowing		4,000	
Drainage Ditch Repair		3,000	
Deer Ridge Project		3,000	
Contingency Fund	10 % of Projected Expenses		8,000
Total Projected Expenses			89,300
Reserve Fund			15,700

VOTING GUIDELINES

(as approved by the board 4-13- 2011)

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. There may be a total of 11 Board Members. Board members will represent the following sections: 19, 20 East, 20 West, 21, 22, 23, 24, 26, 27, 28, and 29.

5. Board members for odd numbered sections will be elected in an odd year for a two year term. ***This year's election (2011) 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 (2012) 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 via certified mail to the President of the Board of Directors (PO Box 970; Hereford, AZ 85615) no later than June 8, 2011. Members who desire to have their name placed on the ballot for election as a Board member may also request this in person at the Board of Directors meeting on June 8, 2011.

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

9. 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.

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

11. 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, 2011 will be eligible to vote in the election to be held in July 2011.

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

Membership Meeting Coordinator (MMC)
Job Description/Duties
(as approved by the board 4-13 2011)

The Membership Meeting Coordinator (MMC) will be an Officer of 3 Canyons Ranch M.H.O.A.
The MMC has no authority or responsibility to make payments or sign checks.
The MMC will prepare and mail ballots and notices of the memberships meetings, as specified by the board of directors.
At the discretion of the board of directors, and the MMC, other duties might include, but not limited to, preparation of ballots for distribution at the meeting itself.
The MMC will be provided a laptop computer, printer, and will be reimbursed for reasonable expenses such as paper, toner, envelopes, stamps and binders (for example) in conjunction with the performance of these duties.

Plan for Production and Distribution of Documents Associated with Membership Meeting

<u>Actions required:</u>

Task 1.
The Board will provide the MMC with the format and content for the following documents:

a. Ballot

b. Instructions for Completing and Submitting Ballot

c. Notice of Membership Meeting

(An example of each of these documents can be seen in the Minutes of the Board of Directors from their June 9, 2010 meeting).

Task 2.

The Board of Directors will provide the MMC with an electronic copy of the membership list in Excel Spreadsheet format.

Task 3.

The MMC will print, fold, stuff envelopes, affix postage and return address, and mail the items listed in Task 1 to all individuals listed on the membership list received as a result of Task 2.

Task 4.

The MMC will print a copy of the ballot (listed in Task 1-a) and provide them in a binder to an individual designated by the Board of Directors. The ballots will be arranged in alphabetical order (by last name of the member) and separated by alphabetized tabs. The MMC will also provide approximately 20 provisional ballots in the binder.

Sequence and Timeline

The MMC notes that the last Board meeting currently scheduled before the Annual Membership meeting is slated for June 8, 2011. The MMC notes that the Annual Membership Meeting is currently slated to be held on July 16, 2011. I would suggest that the Board accomplish Tasks 1 and 2 no later than June 12, 2011. If I receive the materials listed in Tasks 1 and 2 by June 12, 2011, I will accomplish tasks 3 and 4 by June 19, 2011. I would expect that this timeline will allow most members to receive the mailed items no later than June 24, 2011. Thus there will be a 3 week window for them to complete and return their absentee ballots prior to the annual membership meeting.

Budget

The budget for accomplishing this plan will include the following items:
1. Envelopes: 500 size 10 envelopes and various other larger envelopes to allow a consolidated (one envelope) mailing of materials to members who own more than one parcel.
2. Postage: 500 first class stamps
3. Paper: 3 reams of paper to allow printing of ballots listed in Task 1-a and Task 4.
4. Copying: Reproduction of documents listed in Task 1-b and 1-c.
5. Return Address Stamp
6. Binders and Tabs for documents listed in Task 4
7. Toner for Printer to create documents listed in Tasks 1 and 4.

Limitations and Exclusions

The MMC request that the total length of the documents listed in Task 1 not exceed four pages (8 and ½ inches by 11 inches). This will allow the printing of the materials to be accomplished on two pages (printing front and back) with no more than two folds for each page. It will also allow the majority of the ballots to be mailed in a number 10 envelope with one first class stamp. If the

Board intends to approve a ballot that exceeds these limitations, then the MMC requests that the Board make other arrangements for the production and distribution of these materials.

The MMC will deliver absentee ballots via U.S. mail only.

The MMC works as an Assistant to the President. The President is the single Point of Contact (POC) on the Board for the MMC and vice versa.

The MMC has no control over the data integrity of items on the membership list.

Rule Changes/Corrections

The gate at Bloomfield at the east end of Deer Ridge Estates will remain locked with keys given only to Bloomfield Road residents.

Revised 4/13/11

Revised 4/13/11

The standard venue for Board meetings is 5:30 pm on the second Wednesday of January, April, June, and October.

LOCATION:

Board of Directors meetings are held the at the La Purisima Retreat Center, Hereford, AZ 85615. Take Hwy 92 S to Stoneridge Road (approximately 2 miles South of the 3 Canyons entrance) on the right. It's the first building on the left and has a blue roof.

Revised 4/13/2011

The Association's place of business for documentation review is approved.

Location: **STACHEL** & **ASSOCIATES, P.C.**

2151 South Highway 92, Suite 100

Sierra Vista, Arizona 85635

www.stachelaw.com · 520.439.4655 fax

520.452.1006