

**Minutes of the Meeting of 3 Canyons Ranch
Master Homeowners Association (MHOA)
Special Board of Directors (BOD) Meeting
February 10, 2009, 5:30 PM, at La Purisima Center**

Board Members Present:

Gary Brock (19), Connie Foust (20E), Lois Bloom (20W), Harvey Zeligman (21),
Greg Chouinard (22), Ron Slyter (23), Bill Sowards (24), Carl Bromund (27)

Officers:

President, Carl Bromund
Vice President, Frank Diaz
Secretary, Greg Chouinard
Treasurer, Gary Brock

Call to Order

The meeting was called to order at 5:34 PM by President, Carl Bromund

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 14, 2009 MHOA Board Meeting Minutes

A motion was made and seconded to accept the minutes from the Board of Directors (BOD) meeting of January 14, 2009. The motion to accept the minutes was carried unanimously.

Call to Membership

One member requested the floor.

Master Design Guidelines:

A motion was made and seconded to adopt the Proposed Changes to Master Design Committee Guidelines. The motion was carried unanimously. (See Attachments, pages 2-4)

Mailbox Committee:

A report was given by Rick Phillips. (See Attachments, pages 5-8)

A motion was made and seconded to adopt the Board of Directors Declaration concerning Mailbox Committee. The motion was carried unanimously. (See Attachments, pages 9, and 10)

Signal Gate Contract Issues:

A report was given by Tom Pickering. (See Attachments, page 11)

After much discussion, a motion was made and seconded to accept the Gate Contract from Signal Gate. The motion was carried unanimously. (See Attachments, pages 11-13)

Gate Regulations:

After much discussion, a motion was made and seconded to adopt the Gate Regulations as presented at the last Board Meeting. The motion failed by a vote of 2 for, 6 opposed. (See Attachments, pages 4-10 of the January 14, 2009 Meeting Minutes)

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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 7:40 PM.

Submitted By: Greg Chouinard, Secretary

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ATTACHMENTS:

Proposed Changes to Master Design Committee Guidelines

Change paragraphs 17 and 18 from:

17. FINE STRUCTURE FOR VIOLATIONS AND NON-COMPLIANCE TO 3 CANYONS CC&R's

Non-Construction Related Violation of the CC&R's

Written notice will first be sent to the property owner describing the violation.

The property owner has thirty (30) days from the date of the notification letter to either correct the violation or submit a plan of action along with a timetable for completion which the Committee may approve, reject or modify.

Property owners will be held responsible for CC&R violations occurring on their property including all work performed by contractors or subcontractors.

If the violation is not corrected or the plan of action approved on the thirty-first (31) day, then penalties will be assessed as follows:

1. \$100.00 per complaint for CC&R violations
2. Litigation: Once appeals have been exhausted, litigation for enforcement of compliance to the Master CC&R's will immediately

begin and also seek payment of fines and attorneys fees.

B. Construction Violation:

Construction from the time of approval from the Master Design Committee is to be finished in twelve (12) months. Construction begun and not completed in twelve (12) months from the approval date will be subject to fines, unless and until the owner is granted and approved an extension. Commencement of construction of any improvement on any Lot or Parcel without the prior written approval of the Master Design Committee is forbidden. Violation of this guideline will subject the owner to a fine and legal action.

1) \$500.00 for non-completion of the approved project after twelve (12) months from the date of approval by the Master Design Committee.

2) \$500.00 for any construction started before or prior to approval by the Master Design Committee

3) Litigation for enforcement of compliance to the Master CC&Rs and Master Design Committee Guidelines will immediately begin. The Association will also seek payment of fines and attorneys fees.

18. Enforcement of CC&R's, Fines and Appeals

The Master Design Committee will take initial action on all complaints that allege a violation of the CC&R's. The Committee will investigate the complaint and determine if in their opinion a violation of the CC&R.s has occurred. In that case, the Committee will issue a written notice of violation (NOV) to the owner that includes the following information:

a) The provision of the CC&R's that has been violated

b) The date of the violation or the date the violation was observed

c) The first and last name of the person or persons who observed the violation

d) A description of the process the owner must follow to contest the notice

An owner who receives this written notice (NOV) may take the following actions:

a) Concur with the notice of violation, take appropriate corrective action and report completion of corrective action to the committee.

Note: If corrective actions are not completed within thirty (30) days, fines will be imposed.

b) Disagree with the notice of violation and provide the Association with a written response by sending such response by certified mail to the following address within ten (10) business days after the date of the notice.

3 Canyons Ranch Master HOA

P.O. Box 970

Hereford, AZ. 85615

Upon receipt of a written notice from an owner that the owner desires to contest the notice of violation, the Board will schedule a hearing of the members appeal for the next regular board meeting and provide notification (including the date, time and place for the appeal) to the owner within ten (10) business days (after receipt of the certified mail containing the response from the owner). Collection of any fines proposed by the Master Design Committee in the initial notice of violation will be held in abeyance until after the member's appeal is heard by the Board of Directors.

Change paragraphs 17 and 18 to read:

17. Master Design Committee actions for violations of the CC&Rs

The Master Design Committee will take the following actions when a violation of the CC&Rs is reported to the committee.

- a. A committee member will observe and verify the violation exists.
- b. The committee will contact the property owner and explain the violation and which paragraph of the CC&Rs cover the violation.
- c. The committee will issue a Notice of Violation letter via certified mail to the property owner. The letter will include a description of the violation, applicable CC&R paragraph, the date the violation was observed, name of the person who observed the violation, and the process the property owner must follow to contest the Notice of Violation in compliance with Arizona Revised Statute (ARS) 33-1803.
- d. The committee will provide to the Board of Directors a copy of the Notice of Violation letter.

18. Board of Directors actions for violations of the CC&Rs.

The Board of Directors will review the Notice of Violation letter provided by the Master Design Committee and initiate appropriate action to correct the violation. This may include legal action and imposition of a Special Assessment, as stated in paragraph 7.4.1 of the CC&Rs, on the property owner to reimburse 3 Canyons Ranch Association for attorney fees and other costs incurred by the Association in correcting the violation and bringing the property owner into compliance with the CC&Rs.

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3 Canyons HOA

Mailbox Committee Progress Report

January 2009

1 Executive Summary

At a previous 3 Canyons HOA meeting, a suggestion was made that Vista Del Oro be used as a test case for providing mailboxes to 3 Canyons HOA members; as such VDO will be considered phase 1 of this project.

This report details the work accomplished from November 2008 to date in phase 1, and includes a proposal for the location and site preparation for the phase 1 mailboxes.

This committee proposes 3 USPS approved mailboxes be located approximately 300 yards off of 3 Canyons Road on the east side of S. Palisades. The mailboxes would be located on two 6'x8' concrete pads serviced by a 10'x 60' concrete pull-off area. The total approximate cost is \$10,500; the approximate cost per lot owner is \$239. Details follow; a drawing is attached (Mailbox Plan Rev 17-Jan09.pdf).

2 Homeowners Included in Phase 1

The total number of Vista Del Oro homeowners/lots serviced for phase 1 planning purposes is 44.

3 Proposed Location

The proposed location for the mailboxes is approximately 300 yards from the corner of S. Palisades and 3 Canyons, on the right (east side) of the roadway. This is south and east of the intersection of E. Silverthorne Court and S. Palisades.

4 Physical Layout

The total mailbox service area is approximately 60'x10' and includes the two 6'x8' pads where the mailboxes will be located. It is recommended that the entire site be surfaced in concrete due to the fact that the mailbox pad should be concrete, and the committee anticipates that there would not be any price advantage with using two different paving materials. Additional details follow:

- 60'x10' paved pull-off area
- (2) 6'x8' slabs size for mailboxes
- Two 6" steel pipe bollards at the corners of the mailbox slabs to protect the mailboxes
- Three mailboxes

5 Mailboxes

The type of mailbox chosen for this project is a USPS approved, 16 drawer box with 2 parcel boxes for a total of 54 boxes this project. The vendor is Salsbury, and the product will ship from California. 3 mailboxes are recommended for phase 1. This model is identical to the one presently in use at The Oaks and in Wildhorse. For the purposes of this estimate, a single vendor price was used. Future committee's activities will include obtaining competitive bids.

6 Expenditures

ITEM	QTY	ITEM/DESCRIPTION	UNIT \$	TOTAL \$	VENDOR
A	1	Civil Engineering by original designer	\$500	\$500	Mr. Lloyd Rogers
B	1	Minor final plat amendments	\$350	\$350	Cochise County P&Z
C	1	Copies/Mylars/Mileage to submit	\$125	\$125	Est.
D	1	Layout/Staking Surveying	\$750	\$750	Est.
E	1	Grub, level, provide fill, compact pad	\$1040	\$1040	
F	1	Concrete slab/paving/Install bollards	\$2398	\$2398	
G	4	4" bollards	\$115	\$460	Purchase and cut, prime paint
H	1	1 gallon of finish paint/stripping for bollards	\$25	\$25	Ace/Benjamin
J	3.97%	Tax on contracting items E-H (above)	\$145	\$156	
K	3	Salsbury 16 door Cluster Mailboxes (model3316S	\$1250	\$3750	Mailboxes.com
L	3	Pedestals	\$75	\$225	
M	1	Freight (from CA)	\$200	\$200	Est.
N	1	Installation/Setup/Painting (bollards)	\$0	\$0	HOA volunteers
O	1	3 Canyon Master Design Committee Applications	\$35	\$35	Required?
P		Sub-total		\$10014.00	
Q	5%	Contingency allowance	\$10,000	\$501	
R				\$10515	Total Estimated Cost

7 Next Actions

Next actions include, with sequence of events not yet established:

Date	Activity	Comments
1/25/09	Submit plan to the VDO board	Completed
2/10/2009	Determine which costs will be carried by VDO and which costs will be carried by 3 Canyons	3 Canyons Special board meeting
nlt 2/7/2009	Canvassing the VDO homeowners for their approval	Send emails to property owners by this date
nlt 3/1/2009	Obtaining approval and	See attached diagram

	consent from the Hereford Post Master for proposed location	
approx. 3/7/2009	Finalize VDO HOA vote	VDO HOA board meeting on 3/7/2009
tbd	Coordinating the submission of a letter from the Hereford Post Master to the County detailing the need for mailboxes	
tbd	Obtaining approval from the county for a minor final plat amendment.	
tbd	Obtain competing bids on the mailboxes and other estimated items.	

8 Outstanding Issues

8.1 Funding

Will the VDO mailboxes be funded with 3 Canyons or VDO monies? How will subsequent sections be funded?

Will mailboxes for sections held by developers initially be paid for by the developers, or by 3 Canyons, and then later sold to the final lot homeowners?

8.2 Section Specific Issues

If we wait for the VDO section residents to vote, and the vote fails, do we move on to the next section?

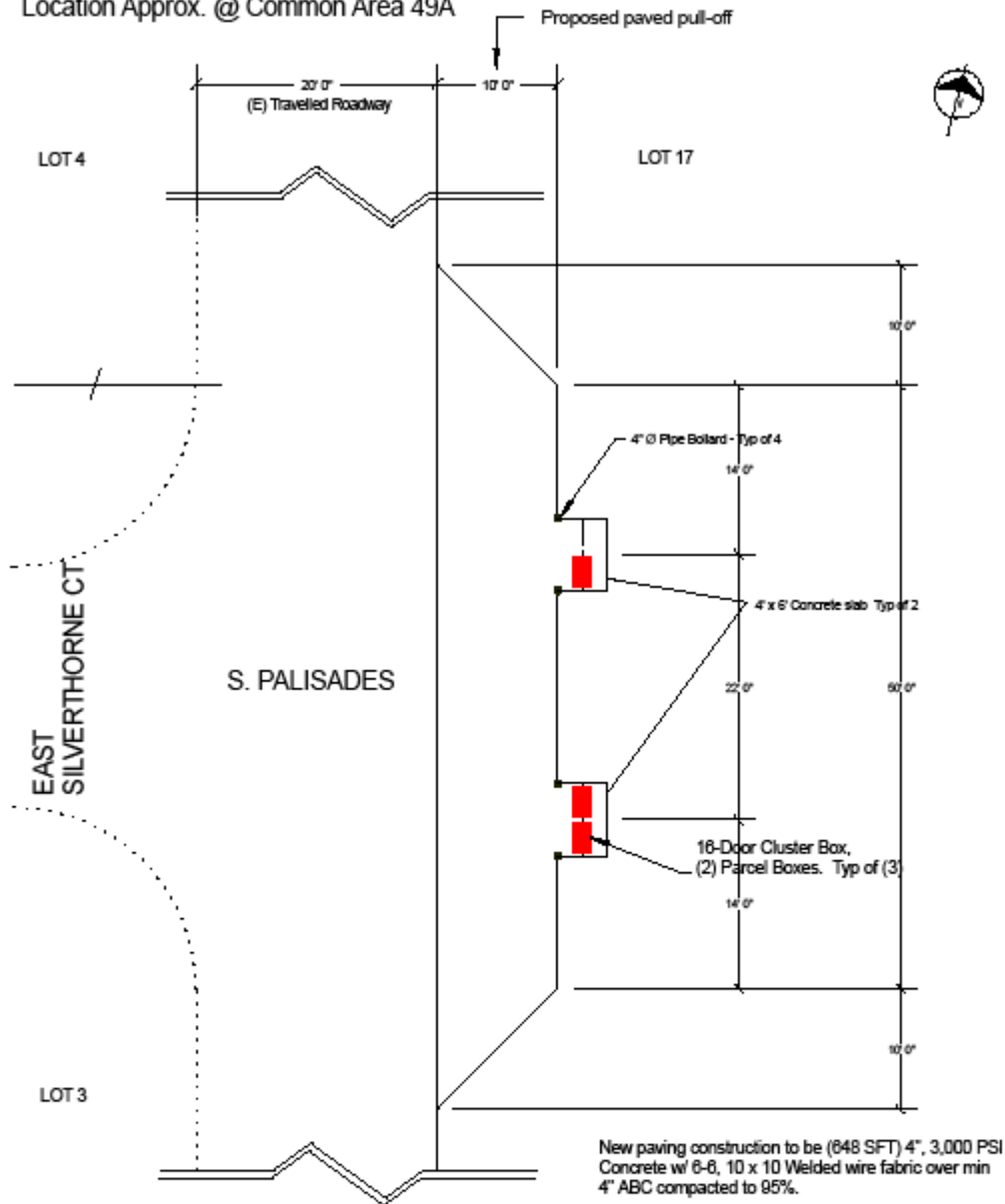
What if the UPSP declines to deliver to a particular section of 3 Canyons?

8.3 General

After being built, any homeowners desiring to keep their POB will be charged by the USPS.

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Plan View of Proposed Community Mailbox Improvement -
Location Approx. @ Common Area 49A



				TITLE: Mailbox Layout Plan	
DRAWN: LM	DATE: 10/25/8	CHKD:	DATE:		
JOB NAME: Site Plan			DWG. NO. 1	<i>Cochise Vista Del Oro Estates</i>	
					1/17/9 Added 2nd MB Slab, 3rd Box
				REV.	DATE DESCRIPTION

Three Canyons Ranch Homeowners Association

Board of Directors Declaration concerning Mailbox Committee

1. The purpose of the mailbox committee is to develop a plan for presentation to the Board of Directors. The goal of the plan will be to accomplish mail delivery to the residents of Three Canyons. The plan will include the following elements:

- A configuration diagram for any and all mail stations (location and footprint);
- A list of the actions required to achieve the goal;
- A sequence of the actions required and timeline showing key milestones;
- A budget showing the resources required and the projected revenue associated with implementation of the plan.

2. The Board of Directors believes any plan for mail delivery in a section must meet the specific and unique requirements of the residents in that section. Therefore, it is important for each section to have a voice in this project and a member on the mail committee. The Board of Directors wants to identify additional individuals interested in serving on the mailbox committee. Anyone interested in serving on the Mailbox Committee is encouraged to identify themselves to the Board by either 1) attending a Board Meeting and expressing their interest, or 2) submitting a written statement of interest to the Board at PO Box 970; Hereford, AZ 85615.

3. The Mail Committee was formed on July 19, 2008. It is important for the Board to receive regular status and activity reports from the Committee. The Committee is directed to establish internal procedures that will result in the appointment of a designated spokesperson to attend all regularly scheduled board meetings. The spokesperson will deliver a written report concerning the status and activity of the committee and be available to answer questions from the Board and members at the meeting. The report should cover the following items:

- Number of committee meetings since last report.

- Percentage of participation by committee members at meetings.
- Number of preliminary designs completed for mailbox stations.
- Cost estimates associated with preliminary designs of mailbox stations.
- Information developed concerning acquisition or lease of property required for construction associated with preliminary design of mailbox stations.
- Information developed concerning level of support among residents who would be served by mail station.
- Issues requiring support from Board of Directors.
- Plans concerning specific work items to be accomplished by the mailbox committee in next 90 days.

GATE COMMITTEE REPORT
February 10.2009

The following is a brief history and progress report of the West Gate project.

1. July 19, 2008. At the annual meeting, over 71% of the voting membership approved the construction of the West gate. Castle & Cooke, Inc. would build the gate monument at their sole expense and 3 Canyons HOA would be responsible for the gate electronics.
2. August 6, 2008. After many changes and revisions the gate contract with Castle & Cooke, Inc. was signed and recorded.
3. October 8, 2008. The gate committee evaluated 4 bids and recommend Signal Gate as the gate electronics supplier.
4. November 8, 2008. A two page memo from our president requesting revisions and clarification to the Signal Gate Contract was received.
5. December 2, 2008. All requested changes were incorporated and the board following approval by our attorney, voted unanimously to approve the Signal Gate contract.
6. February 5, 2009. Additional amendments requested by our president were signed and accepted by Signal Gate.
7. February 5, 2009. A new request was received from our president regarding changes to the Signal Gate payment schedule. This is the FIRST mention of a change to the contract payment schedule.

The entire gate committee members find this unacceptable and request the board to honor their December 2, 2008 approval of the Signal gate contract.



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Proposal and Contract

12/03/2008

Attention: Tom Pickering

This Proposal and Contract Prepared for:
Three Canyons H.O.A.

Billing Address: P.O. Box 1164
City: Hereford
Zip: 85615
Phone #: 520-266-0174

State: Az

Project Name: Main Entrance Gates
Project Address: Three Canyons Road
City: Hereford
Zip: 85615

State: Az

Hi Tom, Here is the updated proposal for the gate system at Three Canyons. Thank you!

I. Proposal Summary: Options are detailed in Section II. Details of Equipment & Services follow in Section III.

	Base Bid Items (Options are listed in the Options Table, Below)	Base Total
New Main Entrance	Dual swing entrance, Dual swing exit gate systems with telephone entry (remotes and cards purchased separately)	\$40,702.60
Warranty	Card, Remote control and keypad operation Included	
Pre-Tax Subtotal		\$40,702.60
Tax	Hereford 0.03965	\$1,613.86
Final Total	Quote Prepared By: Paul Turner (520) 488-9779	\$42,316.46

Signed Acceptance

Print Name

Date

II. Options Table: (Please Initial all accepted options)

Option #	Qty	Item	Cost	Tax amount	Line Total	Initial

III. Scope of Work:

Quantity	Item
	New Main Entrance
2	Apollo 3600 Dual Swing Heavy Duty Commercial Gate Operator, Installed. Includes surge protection, ground rod & fail safe battery backup board.
1	1835 Doorling Telephone Entry System with 1000 Memory, Installed
1	All conduit and wiring installed from owner supplied sources within 50' of gate system
1	3 Loop System, Installed. Includes ground sensor and associated detectors (Entrance)
1	4 Loop System, Installed. Includes ground sensor and associated detectors (Exit)
1	Phone Pedestal, Installed
2	Doorling 8056 Receivers, Installed
2	1815-290 AWID Card Reader, Installed
1	Keypad Post, Installed. (Egress lane, will include: keypad, Card reader, radio receiver & F.D. keyswitch)
4	Heavy Duty 5X5 3/16 Gate Post, Installed
2	Install 2 pairs dual swing gates
1	Doorling 1720-L external light kit installed on top of phone system
2	"Yelp" system installed for fire department Ingress and Egress
2	Custom Dual swing gates with sealed bearing hinges (Design similar to "The Oaks")

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Tucson Office (520) 628-3199 • Fax (520) 628-3620
<http://www.signalgates.com>
(800) 379-2416 • Toll Free (800) 379-2416

1	All travel charges for complete installation
2	Re-install Fire department key switches from old gate system 1-Ingress 1-Egress

IV. Terms and Conditions

- 1) SGI, where it appears on this document, refers to Signal Gates, Inc.
- 2) Contractor, where it appears in this document, refers to the party ordering, approving, accepting, compensating, and indemnifying SGI for the goods and services provided as expressly stated in the contract. The person signing this contract, personally and on behalf of the contractor warrant and affirm that they are accepting this contract for the contractor and that they have full authority to do so and to thereby bind the contractor.
- 3) Attachments referred to at the end of the proposal shall be considered a part of this proposal.
- 4) Permits obtained by SGI require scaled, accurate construction plans that represent current conditions. The contractor will provide these to SGI. These will include but not be limited to an overall site plan, an electrical site plan, and electrical panel schedules for panels feeding equipment covered by the proposal. These plans will bear the seal of a registered architect or engineer. Property line and R.O.W. identification are the responsibility of the contractor and SGI will not be held liable for errors or omissions resulting from such infringements.
- 5) Construction permits (Electrical, Mechanical etc.) by others, unless indicated in Scope of Work.
- 6) Structural Engineering provided by others, unless indicated in Scope of Work.
- 7) Electrical meter permits by others, unless indicated in Scope of Work.
- 8) Fire Department permits by others, unless indicated in Scope of Work.
- 9) Ordering, account set up fees and monthly service charges for telephone and electric service will not be paid by SGI.
- 10) Limited Warranty provides that goods supplied are fit for the ordinary purposes for which these goods are intended to be used for a 1 year period commencing at final construction inspection. Final payment by contractor or final acceptance of installation by contractor, whichever occurs first. There are no warranties which extend beyond this description of goods & services and contractor shall have no claim for incidental or proximate damages.
- 11) Use tax is included in this proposal and will be included unless a tax-exempt certificate is provided to SGI.
- 12) Changes to the contract must be in writing and must have both parties signatures, equipment and/or labor itemization AND the associated price change. Any such change will affect the completion date accordingly.
- 13) Any project requires material purchase and shop manufacturing. You must allow a MINIMUM of 2 weeks from SGI receipt of deposit & signed proposal to begin project. PLEASE REQUEST A SCHEDULE FROM THE SGI REPRESENTATIVE!
- 14) Projects requiring SGI to acquire permits cannot have a firm price until the Municipality has granted a construction and Fire Dept permit. While we are the best-informed gate installation Company on issues of code and requirements, each project is reviewed on an individual basis by the Municipality and can be substantially different than proposed by SGI. Permits not included unless specified. PLEASE BE AWARE PERMITS MAY TAKE 2 TO 6 WEEKS OR LONGER IN SOME CASES!
- 15) Please review the function of your project with your SGI representative. Be clear how EACH drive way functions and its impact on your home or community. Understand the reason for choosing each piece of equipment & how it will interact with the end user. This equipment is technical. Equipment changes rapidly in this industry. Be aware of the potential it has to be upgraded in the future.
- 16) Gate system proposals are based on specifications or comparative bids. SGI will make recommendations for correct installation, but these will NOT be reflected in bids unless requested.
- 17) Damage to irrigation or utilities not detected at blue stake will not be covered under this proposal and is not the responsibility of SGI.
- 18) This proposal and pricing contained within are valid thru the end of March 2009.
- 19) Equipment pricing on this proposal is valid thru the end of March 2009.
- 20) All terms of this proposal will be considered a part of the Contractor's contract.
- 21) Cancellation of work or manufacturing performed by SGI under this contract must be made in writing and signed by both parties before work has commenced. If any cancellation is made after the execution of the contract, including cancellation of any orders for special or customized work, SGI shall be compensated for any work done on the order being cancelled including, but not limited to, materials purchased, labor expended and work lost plus interest from the date of the cancellation and all other applicable costs.
- 22) If any provision of the contract is held unenforceable, SGI may sever the language which makes such provision unenforceable and this contract shall be construed as if this language did not exist or SGI may cancel the entire contract.
- 23) Contractor acknowledges that SGI has and may exercise all lien rights against the property upon which the work is performed. If contractor is not the owner of the property, contractor agrees to obtain the owner's written consent to SGI's full exercise of such lien rights. To the greatest extent permitted by law, Contractor's Owner hereby waives any and all objections to any defects in any such lien documents. SGI's exercise or non-exercise of such lien rights will not alter or amend the contract or release any of contractor's obligations.
- 24) SGI warrants that the materials and other goods sold in this contract will conform to description and specification and will be free from defects in material and workmanship. THIS WARRANTY IS EXPRESSLY MADE IN LIEU OF ANY AND ALL OTHER WARRANTIES EXPRESS OR IMPLIED INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS.
- 25) The parties intend this Instrument as a final expression of their agreement and as a complete and exclusive statement of its terms. No course of prior dealings between the parties and no usage of trade shall be relevant or admissible to supplement, explain or vary the terms herein. No representations, understandings, or agreements have been made or relied upon in the making of this contract other than those specifically set forth herein. This contract can only be modified in writing and is binding upon contractor, heirs, successors and assigns of the parties hereto.
- 26) This contract shall be deemed to be made under and shall be construed in accordance with and shall be governed by, the laws of the State of Arizona. Suit to enforce any provision of the contract or to obtain any remedy with respect hereto may be brought in Superior Court, Pima County, Arizona, and for this purpose, each party hereby expressly and irrevocably consents to the jurisdiction of said court. In the event legal action is brought to enforce the terms of this contract, the prevailing party shall be entitled to an award of attorney fees and costs.

Gate Iron

- 27) Gate iron design is determined by Others.
- 28) Fencing and walk gate design is determined by Others.
- 29) Gate equipment will use Council Industries Saeled Bearing Wheels, Guides and Hinges.

Gate Operation equipment and accessories:

- 30) Loops will be either new cut or layered below pavement. 7 days before Contractor installs AB, Contractor should provide written notification of AB installation to SGI.

Electrical, Telephones & Conduit Requirements:

- 31) An Electrical Disconnect is required by code for operators. These are to be provided by others unless specifically included in section II above. All electrical, Phone & Cable connections, including conduit, by others unless specified in section II above.
- 32) Electrical must have final municipal approval & be hot and Phone line with dial tone must be provided before gate system equipment is activated.
- 33) Conduit, phone & electric specified is specifically for SGI access systems and MUST NOT be shared with other trades.
- 34) Gate system conduit phone & electric is required as specified. Over-sized sleeving, undersized conduit or provisions other than as specifically stated in this contract will require replacement by SGI at Contractor's expense.
- 35) Elect & phone to be in Schedule 40 PVC Conduit, with pull strings, as required for SGI gate systems including (For Power) 1" from electrical panel to EACH operator with a dedicated isolated 15-amp 120V circuit. The following items will be provided as designated below:

Electrical Item	SGI	Other	N/A
A) Electric Meter and connections from transformer, including permits		✓	
B) (1) 3/4" from electrical panel to EACH operator with a dedicated isolated 15-amp 120V circuit.	✓		
C) Power Wire Size vs. Distances Meter to Operators (Feet): 135' - 12 AWG; 215' - 10 AWG; 340' - 6 AWG; 540' - 6 AWG	✓		
D) (2) 3/4" between gate operators at each entry with pull string.	✓		

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E	(2) 3/4" from Call Box to closest ENTRY gate operator for that entry	✓		
F	(1) Dedicated Phone Line with Call Tone to each with entry capability		✓	
G	(1) 1/2" from gate operator to PD equipment	✓		
H	(2) 2" conduit from admin building telephone to the entry call box			✓
I	(1) 1" from Call Box to Remote Portal Key Switch Locations with pullstring			✓
J	(2) 1" conduits from RFID readers to call box			✓
K	All control wiring and conduit installed	✓		

V. Scope of Work:

The scope of work proposed is as stated in section III. If this box is checked, a separate scope of work is attached.

VI. Payment schedule:

25% Deposit, Monthly progress payments, Balance due on completion.

Customer Signed Acceptance: _____

Date of Acceptance: _____

Amendments to Signal Gates contract dated 12/03/2008: 1/30/2009

1) On the "Extended Warranty Agreement" from Signal Gates, dated 9/22/08, (5 pages including cover sheet). On page 2, within the first section "The Signal Gates Extended Warranty Includes", under the heading "Data Maintenance for your system will be included (offsite only)", the 3rd bullet point currently reads:

"Your system's data is maintained in our Signal Gates dedicated computers."

Amended to read:

"Signal Gates will provide Doorking brand software. Doorking will provide free online software upgrades that will allow Three Canyons to update and maintain the system's data on a Three Canyons personal computer in Hereford, Arizona. The Doorking software will also allow Three Canyons to generate the standard gate transaction reports associated with the gate system. The standard reports will include a file in excel spreadsheet format of the type shown in the attachment."

2) On the Signal Gates "Proposal and Contract", dated 12/03/2008, (3 pages).

Amended to add item:

VII. Attachments:

- A) Contract to include the one (1) page letter from Signal Gates, written by Paul Turner, dated 11/11/2008, which will uphold Signal Gates to the six (6) numbered items mentioned within the letter.
- B) **Contract to include the five (5) page "Extended Warranty Agreement"** written by Signal Gates dated 9/22/2008.
- C) Signal Gates letter dated 9/25/2008 that indicates the current pricing for the gate remotes and cards.
- D) Doorking gate transaction report in excel spreadsheet format that shows when someone has passed through the gate which includes data fields on **date, time, name, etc....**

Signal Gate Signed Acceptance of Amendments: _____

Date of Acceptance of Amendments: _____

President 3 Canyons Signed Acceptance of Amendments: _____

Date of Acceptance of Amendments: _____



VEHICLE GATE AUTOMATION & DOOR ACCESS CONTROL
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Helping You Do It Right The First Time!!

Hi Tom,

11-11-2008

Here are the answers to the questions that you had:

- 1- To upgrade the Doorking memory from 500 to 1000 the cost is \$330.00
- 2- The cost to convert the entire system to the Linear Brand including 1000 Memory \$0.00 We have been transitioning from Doorking to Linear brand To eliminate most of the data communication issues we have been having with Doorking.
- 3- At this time the Linear program will not allow us to electronically send you Monthly transaction reports, we have them working on this for us. The Doorking Does currently allow this, A sample copy has been emailed to you from my office.
- 4- The trip charge to your site for non scheduled maintenance is \$125.00 no additional Charges for parts or labor during warranty or extended warranty period.
- 5- We will agree to a three year period where there will be no price increase for your Extended warranty (3 years from completion date) excluding the first year to second Year transition.
- 6- Signal gates work will begin and end within 90 days of masonry work being built At gate location. Baring any delays beyond our control. Ie: City/county delays, utilities (all masonry provided and paid for by Castle & Cooke)

Again, Thank you very Much,

Sincerely, Paul Turner, Signal Gates Inc.

SIGNAL GATES, INC OF ARIZONA
TUCSON OFFICE (520) 628-3199 • FAX (520) 628-3620
1000 S. 5th Avenue • Tucson, AZ 85713



VEHICLE GATE AUTOMATION & DOOR ACCESS CONTROL
SALES • SERVICE • INSTALLATION • DESIGN

Helping You Do It Right The First Time!!

4-2-08
CAPL
10/11/08

Hi Tom,

09/25/2008

Here is the updated proposal without remotes and cards included. Your cost to

Buy the 2- button remotes will be:

Quantities of 500: \$24.50 each \$12,250.00 total plus tax of \$485.71
(Grand total) \$12,735.71

Quantities of 100: \$28.00 each \$2,800.00 total plus tax of \$111.02
(Grand total) \$2911.02

\$ 25.47 each
\$ 29.11 each

Both prices will include (1) each visor clip per remote control ordered.

Your cost to buy the cards will be:

Any quantity: \$3.00 each, 100 cards will be \$300.00 plus tax of \$11.90
(Grand total) \$311.90

Thank you again, and as always, please feel free to contact me anytime.

Sincerely,

Paul Turner

SIGNAL GATES, INC OF ARIZONA
TUCSON OFFICE (520) 628-3199 • FAX (520) 628-3820
1800 S. 5th Avenue • Tucson, AZ 85713

DATE	TIME	EVENT TYPE	NUMBER	NAME	ACCESS	RELAY
39762	0 54236111	Modern		Download Data		
39762	0 20833333	Hold Begin			Hold	Relay 2
39762	0 20833333	Hold Begin			Hold	Relay 1
39761	0 84444444	Cards	15261	GUGLIELMO	Admit	Relay 1
39761	0 81041667	Cards	15252	BECKELMAN	Admit	Relay 1
39761	0 79236111	Hold End			Relay	Relay 2
39761	0 79236111	Hold End			Relay	Relay 1
39761	0 20833333	Hold Begin			Hold	Relay 2
39761	0 20833333	Hold Begin			Hold	Relay 1
39760	0 82916667	Cards	15190	PIGMAN	C & L	Admit
39760	0 91597222	Entry Code	3637	PIGMAN	C & L	Admit
39760	0 85625	Cards	15200	ESHE	Admit	Relay 1
39760	0 79236111	Hold End			Relay	Relay 2
39760	0 79236111	Hold End			Relay	Relay 1
39760	0 20833333	Hold Begin			Hold	Relay 2
39760	0 20833333	Hold Begin			Hold	Relay 1
39760	0 05486111	Cards	15250	MC CLENAATHAN	Admit	Relay 1
39760	0 05486111	Cards	15250	MC CLENAATHAN	Admit	Relay 1
39759	0 86125	Cards	15262	GUGLIELMO	Admit	Relay 1
39759	0 87966111	Cards	15289	VAN DYKEN	Admit	Relay 1
39759	0 87063333	Entry Code	2330	BECKELMAN	Admit	Relay 1
39759	0 84930666	Entry Code	3003	HOWE TEMP	Admit	Relay 1
39759	0 80763889	Cards	15207	HOLLINGSWORTH	Admit	Relay 1
39759	0 80763889	Cards	15254	SMITH	Admit	Relay 1
39759	0 80763889	Cards	15254	SMITH	Admit	Relay 1
39759	0 79236111	Hold End			Relay	Relay 2
39759	0 79236111	Hold End			Relay	Relay 1
39759	0 20833333	Hold Begin			Hold	Relay 2



EXTENDED WARRANTY AGREEMENT

Specially Prepared For:

THREE CANYONS

Authorized Representative:

Date: 9/22/2008

The Signal Gates Extended Warranty Includes:

- 11. Automatic scheduled maintenance (Monthly, Bi-Monthly, Semi-Monthly, Quarterly, Semi-Annual or Annual visits) to check all proper functions of your gate, mechanical, electrical, and emergency systems. Signal Gates will maintain your complete gate system.
- 12. Manufacturers recommended scheduled maintenance will be performed during these visits.
- 13. An on-site log will be kept. An On-Site log will be maintained by our service technician and updated with each visit. You will be able to check it at any time by visiting the log at each entrance (See Example in the Appendix).
- 14. Scheduled and Unscheduled maintenance will be performed during normal working hours at no additional charge (Hrs. M-F, 8-5), provided the cause is included under the Extended Warranty Agreement.
- 15. The extended warranty allows you fast response from Signal Gates, Inc. for unscheduled maintenance, usually within 24 hours. For Emergency service, response time is within 4 hrs.
- 16. Repair or replacement of **all** equipment (examples include: Replacement Operator, Circuit boards, Component Chips, Motors, Extension Arms, Rods, Pulleys, Pistes, Chairs, Wheels, Gear Box, Photo Systems, etc.), and parts necessary to keep your system running smoothly are included in the extended warranty including electrical and mechanical components. See exclusion section for any specific exclusions to this statement.
- 17. All normal Labor Costs are included in your warranty.
- 18. If your service call is covered under the Extended Warranty Agreement, you receive a discounted overtime rate for after hours, weekends and holidays. Currently \$70.00 per hour, this is a 61% discount from our normal overtime rate of \$180.00.
- 19. Electrical Surges **ARE** covered under this warranty.
- 20. A work order will be sent to you after each inspection for your property records.
- 21. **Data Maintenance for your system will be included (offsite only).**
 - The Attached forms will be used (See Appendix)
 - Any changes requested by you to your system will be made in the same day if requested Monday through Friday before 4:30 P.M.
 - Your system's data is maintained in our Signal Gates dedicated computers.
 - This data is not released to any outside individuals for your security.
 - Your data is backed up daily for security and safety.

What the warranty will not cover: Exclusions

- Damage caused by vandalism, or misuse.
- Theft.
- Damage caused by unusually high wind, flooding or other severe acts of nature.
- Mileage for unscheduled maintenance out of our service area, during and after business hours.
- Emergency, after hours, weekends and holidays are chargeable. After hours data maintenance is considered an emergency service call. We understand that problems do occur during these times when overtime is charged. As a benefit of owning the Signal Gates extended warranty we are reducing the normal overtime charges. The normal overtime labor rate is \$180.00 per hour. As an extended warranty customer, if the cause is due to a system component failure or malfunction or a data maintenance error on the part of Signal Gates, we will give you a discount on the overtime rate of \$110.00. **Your overtime rate will only be \$70.00 during after hours, weekends, and holidays. That's a 61% reduction in cost.**
- Remotes and remote batteries.
- Paint or sealing of Gates or fence.

Qualifying to become a Signal Gates Extended Warranty Customer

Signal Gates, Inc. is the prestige gate operator company. We will offer you the finest value for your money in gates systems. We will listen to what you want, and offer you the automatic gate system which best meets your wants and needs from the many available. That being said, we do not offer our extended warranty to all customers. The Signal Gates Extended Warranty is only available to qualified systems. Contact a Signal Gates representative to find out if your system qualifies. Signal Gates has a short questionnaire to determine if an extended warranty and which maintenance option is suitable for you. Extended Warranty costs vary from property to property depending on the type of equipment that has been installed. Some gate systems will require a start up fee or upgrading to qualify for a warranty and meet the Signal Gates high standards.

Payments for Warranty

Payments for Extended Warranty must be made by the 1st day of each month. Billing will be sent prior to due date. A direct bill paying system can be created to insure that your payment is not late. Non-payment, or history of past due more than 30 days, will result in cancellation of your warranty. There may be an added fee to re-qualify for the Signal Gates Extended Warranty.

Termination

Either party may terminate the Signal Gates Extended Warranty agreement with a thirty day written notice.

Extended Warranty Pricing

Property Name: THREE CANYONS
Authorized Representative:

Analysis and Review: Notes and Conditions of Extended Warranty

- Please INITIAL & SIGN below if you wish to accept the Extended Warranty agreement
- Please do not hesitate to call with any questions
- The Bi- Monthly inspection must be done the same day as The Oaks

Based on this information, your Extended Warranty Pricing is listed below:

Pricing	1 ST YEAR	2 ND YEAR +	Initials
Start Up or Initial Work			
Extended Warranty (Basic)	\$180	\$340	
Total for Each Month	\$180	\$340	
	TBD	TBD	
Start Date			

Initial items above to accept extended warranty fees, **and sign below.**
Signing below acknowledges understanding of the agreement

Print Name: _____ Print Name: _____

Title: _____ Title: _____

X _____ X
Authorized Representative Signature Signal Gates, Inc. Authorized Representative

Date: _____ Date: _____

Welcome to Signal Gates
Extended Warranty and Data Maintenance Program!

There are a few things you should know to help things go smoothly and avoid upset residents:

- ◊ Residents must contact their property manager to obtain the correct forms to have any information entered into the gate system.
- ◊ Signal Gates can sell remote entry devices directly to residents however, Signal gates needs the property management company to authorize us to activate them for the community.
- ◊ Residents should also contact their management company for instructions on using the gate system.
- ◊ Property managers can obtain all forms and instructions by calling Signal Gates.



Signal Gates does not assign codes:

- ◊ We maintain the community's database from written requests originating from the property management company.
- ◊ Residents may choose their own code or be assigned one by their property manager.
- ◊ Remotes given to the property manager or purchased in bulk will not work until Signal Gates receives paperwork assigning the device numbers to their users.
- ◊ Any new or changed entry codes or hold open times must be faxed on the appropriate forms to Signal Gates.
- ◊ Changes to codes and timers will not be entered over the phone. Residents wanting to change or add information will be redirected to their property manager for the correct forms.



Only an authorized contact can request service on the gates. Signal Gates maintains a list of all authorized parties for each community; please make sure to keep your list updated by informing us of any personnel or board member changes.



**Residents should always call their Property Manager first,
Who can contact Signal Gates if necessary.**

Data Maintenance



Your gate system has a computer data link that needs to be monitored for changes and history. Each of your resident's remotes or cards has a unique code assigned to it. The Gate Computer recognizes if it is entered in the system and permits access. System features are also accessed through this database such as time zones, vendor codes, system clock etc.

Each database is maintained and priced individually. Pricing is based on the number of units for each phone system and is added to the Extended Warranty.
For example: An East and West gate that contain the same information but are maintained as two systems, and therefore shall be charged as such.

Reports on the information stored at each gate can be printed and sent either;

- ◊ Monthly, Bi-Monthly, Quarterly, Bi-annual or Annually
- ◊ These reports come at a \$10 charge per report
- ◊ Reports can also be requested at anytime with the \$10 charge

Data Maintenance Without the Extended Warranty Program

- ◊ **EACH TRANSACTION \$ 35.00 PLUS \$ 2.50 PER DEVICE**

- ◊ **EQUIPMENT INFORMATION MUST BE FURNISHED**
 - ◊ SYSTEM PHONE NUMBER
 - ◊ SYSTEM MEMORY
 - ◊ SYSTEM BOARD



- ◊ **TO ACQUIRE INFORMATION WILL OCCUR ADDITIONAL COSTS**
 - ◊ THIS INCLUDES HAVING A TECH COME TO THE PROPERTY TO GET INFORMATION
 - ◊ THIS INFORMATION WILL THEN BE KEPT FOR FUTURE USE