

3 CANYONS RANCH MASTER HOMEOWNER'S ASSOCIATION
Meeting Minutes
October 8, 2003

Board Members Present: T. Pickering, J. Arndt, G. Brock, G. Chouinard, J. Dobis, R. Frederici, E. Guidroz, P. Holland, C. Carson

Absent: D. Crowley & D. Paris

Members Present: Beverly Pickering, Ron Slyter, Dave & Pat Angell, Steve & Michiyo Allanson, Farrell Taylor, Robert Weissler & Tommy Stoner

Call to Order: 5:35pm

Acceptance of August 13, 2003 minutes: J. Arndt asked for the following corrections: Under new business concerning the monthly to quarterly board meetings, Arndt voted no. All others voted yes. Under Call to Membership, it should state that a member had an intrusion.

Acceptance of Agenda: Unanimously approved

Presidents Report: President Pickering reiterated the goals of the association which are to secure our boundaries, including fencing and gates. Supports for these goals are found in the CC&R's page 2, paragraph 4, 5.20 & 15.8. The Board is dedicated to these goals.

Treasurer's Report: Treasurer Brock, reported as of Sept. 30, in the regular budget we have a balance of \$43,835.18 and the Capitol Budget \$73,089.39. Both accounts are projected to show a positive balance at the end of our fiscal year. It was further reported that our capital loan was reviewed with Mr. Dan Subia, VP of Bank One, who recommended that we do not consider refinancing until Sept. 2004.

Vice Presidents Report: Jim Arndt submitted his resignation as VP, effective immediately. His resignation was accepted. Paul Holland was unanimously voted in as VP.

Attorney's Report: Administrative:
Transfers

Fidelity National Title Agency now appears to be complying with our demands for unreported transfers.

Requests for CC&R's

Cardinal & Stachel, P.C. did not receive requests for copies of the CC&R's during the preceding two months.

Administrative Contract

On October 2, 2003, Cardinal & Stachel, P.C. presented a proposal to the Board of Directors for a new administrative contract for the upcoming year. Cardinal & Stachel strongly recommends that the Association begin long range planning to take-over Association Management.

Legal

Non-Privileged: Wildhorse II

On September 22, 2003, Wildhorse II, its developer and associated L.L.C.'s filed a verified complaint in Cochise County Superior Court seeking declaratory relief. Specifically, the complaint seeks a court ruling on whether Wildhorse II is part of 3 Canyons.

Counsel has met in executive session with the Board of Directors to discuss the complaint and the Board has instructed counsel to answer the complaint and defend the action.

Quit-Claim Deeds

The Board of Directors has authorized counsel to send demand letters to owners previously sent quit-claim deeds to 3 Canyons Road which crosses their property. The letters will give each non-complying owner 10 days to deliver the quit-claim deed to counsel or be subject to litigation from the association.

Committee Reports:

Clean up: Chris Carson reported that he personally cleaned up the area around the gate. Many kudo's to Chris. He also announced a general cleanup of 3 Canyons for Saturday, December 13, 2003. Please plan to meet at the West Gate at 8:00 AM. For further info contact Chris at 803-0537.

Fence: Nothing new to report

Gate: Jim Arndt announced his resignation from the Gate Committee. Current committee members are Ron Slyter Chairman, John Sauter, Tom Pickering, and Paul Holland who will be taking over the data entry responsibility.

Governing Documents: (CC&R's): Gary Brock made the following statement concerning the recent CC&R vote.

"I felt, that because the two previous CC&R amendment votes had been counted and certified by Mr. Stachel's office, that the most recent CC&R amendment vote count should be done the same. The number one reason being Mr. Stachel's office has the most up to date "total memberships" available from home square footages and from land acreages. I also felt an independent body should be counting and certifying the votes. I

did call the President and I asked for his approval for Mr. Stachel's office to conduct the vote count and he agreed.

The official ballot did state that the cut off date for "total memberships available would be April 15, 2003. Mr. Stachel's office used the cut off date of the annual meeting which was July 26, 2003. Because of this 3+ month difference in cut off dates, I calculated if subtracting 4 large home square footages per month would change the outcome of this vote. I subtracted 16 homes (16 x 3,000 sq. ft = 48,000 sq. ft. = 480 membership votes), 480 membership votes from the total memberships available (9422), which came to 8942. The number of affirmative votes needed to pass the amendment with this adjusted total is 4472. The number of affirmative votes cast was 3935, which is still 537 votes short of passing this amendment. I did not ask for a recount based on this information.

I personally see no problem with a member(s) changing their vote up to the closing date as long as the change is made in writing. Mr. Stachel's office has the same opinion. The changes that were made by members were done prior to the closing date and were done in writing."

Master Design: Jim Dobis had the following report: The Master Design committee finds:

1. The property owner is ultimately responsible for everything that occurs on their property. Any related work adjacent to the property which extends into common area is also the responsibility of the property owner. This includes permits, road crossing excavations for utilities and the associated repairs present and future repairs due to settling. The clean up and removal of all debris from road crossing work is also the property owners responsibility. If your property is on 3 Canyons Road, and a curb cut is required to access 3 Canyons Road it is the property owners responsibility to verify that the proper construction of the culverts, apron and placement of rip rap is completed according to the Design Guidelines. See Amendments to Master Design Guidelines, Item 8.

Driveway CMPs (corrugated metal pipes) must be at least 14 gauge galvanized, 30 inch oval and at least 30 feet long. The inlets and outlets of the CMP's will be dressed and slopes will be covered with 3 to 6 inch rip rap out to a 10 feet radius.

2. As described in the CC&R's I paragraph 4.2.8 in no event shall free standing antennas be allowed except for satellite television dishes which are fully screened so they are not visible from neighboring Lots, Parcels, Common Areas and roads.

3. Signs-please review paragraph 4.2.3 specifically item (i) an owner may post one (1) "FOR SALE" sign with a single face area of not greater than four (4) square feet. Arrow and directional signs are not allowed. The "FOR SALE" sign must be on the property that is for sale, not on any other property.

If there are any questions, please contact a Master Design Committee member.

Road: Jim Dobis reported that weed control and grass cutting along 3 Canyons Road have been accomplished. Maintenance of the chipped seal will be carried out shortly.

Website: Jerry Chouinard reported the website www.az3canyons.com has been running very successfully thanks to the efforts of Robert Weissler. Many kudo's to Mr. Chouinard and Mr. Weissler for making our website possible.

Old Business: Gates: After much discussion a motion was passed to proceed with controlled access of west bound traffic at the west gate. A keypad is to be installed in a timely manner at a cost not to exceed \$3,000. Paul Holland voted no & Jim Arndt abstained. All other members voted in favor.

The governing documents were asked to send out a vote request to all 3 Canyons members asking for approval to proceed with the East gate. Fifty (50%) of the total membership must respond in favor in order to proceed. Monies for the gate are currently available. An increase in assessments is not required.

New Business: Motion was made to approve the weed spraying at the West gate for \$100. Motion was unanimously approved.

Motion was made to increase transfer fees from \$75. to \$100. effective January 1, 2004. Motion was unanimously approved.

It was pointed out that Vista del Oro to date is not an approved village and that all approvals for house construction MUST BE APPROVED BY THE 3 CANYONS DESIGN COMMITTEE. Any construction being started without design approval will be considered in violation of the CC&R's. The ultimate responsibility for compliance is the Property Owner.

The next meeting is scheduled for Wednesday Jan 14, 2004, at 5:30 pm at the La Purisma Retreat house on Stone Ridge Rd in Hereford.

The meeting was adjourned at 7: 38 pm.

Respectfully submitted by Beverly Pickering, Recording Secretary for David Paris.