3 Canyons Ranch Master Homeowners Association (HOA)
Board of Directors (BOD) Meeting
April 12, 2006

Board Members Present: Ron Slyter, Jerry Chouinard, Chris Carson, Gary Brock, Rich Frederici, Paul Holland, Evans Guidroz and Pat Kirk.

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

Approval of Minutes from Prior Meeting
A motion was made and seconded to approve the minutes from the Board of Directors (BOD) meeting on January 11, 2006. There was a question by Mr. Pat Kirk of the refundable and non-refundable construction fees. Discussion of the distribution of these funds. The motion to approve the minutes was carried unanimously.

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

Call to Membership
A request was made by Kris Albrecht for the BOD members to introduce themselves. The BOD members introduced themselves by section.

Attorney's Report
The report by the 3 Canyons attorney, Mr. Bob Stachel was moved forward in the interest of conservation of attorney time. Mr. Stachel indicated that the Wild Horse II litigation was moving forward. It is not possible to predict a time limit for proceeding of this litigation.

Road quit-claim deeds have not been obtained for 3.5 of 14.0 miles of 3 Canyons Road. Mr. Stachel's office will begin proceedings to obtain the other quit-claim deeds. Discussion of the difficulty in obtaining these quit-claims.

Recent changes had been made in the Arizona State Legislature regarding HOA elections by proxy. Proxy votes would no longer be allowed. The HOA would need to adopt a system of absentee ballots for the July election.

President's Report
Ron Slyter expressed his concern about speeding along 3 Canyon's Road. He also emphasized that residents and landowners must never attempt to take the law into their own hands to intervene in vehicular traffic on our road. Such an attempt would be both dangerous and illegal. Concerned citizens can take license plate numbers and report reckless driving to the Cochise County Sheriff Department.

Ron reported that 42 of 46 quit-claim deeds had been signed. This represented a huge savings to the HOA. He personally thanked Paul and Jane Holland for their assistance to him in this effort. Ron also thanked each and every Board and Committee member for their work in helping to make the HOA perform so well during this period of transition.

The president requested that any changes to the 3 Canyon's website be made only through the Board Secretary, Carl Bromund.

Treasurer's Report
Account balances as of 4/13/06 reported by Stratford Management:
Regular Checking Account: $59,413.56
(Stratford calls this account "Operating Account")

Capital Checking Account: $82,518.75
Capital Savings Account: $51,914.84

Loan Balance: $137,500.00
Interest rate 5.75% fixed, no early payment penalty
Loan maturity date 11/08
Next quarterly interest payment 5/06, approx $3,000.00
Next principal payment 11/06, approx $47,500.00

Regular and capital assessments will be mailed out the week of May 15th, 2006 by Stratford Management. Regular assessment rate $7.00 per acre & 100 sq ft living space. Capital assessment rate $11.00 per acre & 100 sq ft living space. Due date July 1st, 2006. Past due date July 10th, 2006.

Committee Reports – Master Design Committee (MDC)
Rich Frederici reported that Stratford Management would soon be taking responsibility for collecting and initial processing of all MDC applications. Information would appear on the 3 Canyons HOA website very soon.

A home along 3 Canyons Road had begun construction without Master design Committee approval. The new home was ¾ th's completed when Stratford management helped to issue a "cease and desist" order. There is still a problem of homeowners beginning construction without Committee approval.

Committee Reports – Gate Committee
Ron Slyter indicated that he, and Tom Pickering, had met several times with Rick Kaufman of Castle & Cook (C&C). C&C is responsible for 50% of all gate maintenance by a signed mutual agreement. The entry gate has cost the HOA $32,000. C&C has never paid their portion of this cost. Attempts are being made to negotiate an agreement for gate relocation to Fairfield Road in lieu of the delinquent maintenance cost. No word yet from C&C.

It is anticipated that Stratford management will take over gate access functions in the near future.

Old Business
Ron Slyter reported that Stephanie Rose of Stratford Management had traveled to 3 Canyons on three occasions to assist with the transfer of files. The transfer was completed on March 1, 2006. Further transfer of all gate functions and some Master Design functions was pending. It was Ron's opinion that Stratford Management had proven to be prompt, efficient and accessible in their service.

New Business
Ron Slyter indicated that the Master Design Committee had reviewed governing documents from the Kirk, Lewis and Zeligman developments. Numerous exceptions to the CC&R's had been noted. There was also considerable attorney time spent on these documents. Ron noted that developers must be aware that all governing documents must meet or exceed the 3 Canyon's CC&R's.

Rich Frederici requested that the governing documents for all Villages include a provision to share architectural control and design committee documentation. Specifically he requested that the 3 Canyons Master Design Committee be given a complete set of design plans and letters of approval/disapproval within thirty (30) days of any action by Village architectural committees. Mr. Pat Kirk agreed to include this provision in his governing documents for the La Marquesa developement.

Ron Slyter requested that Board members, committee members and 3 Canyons homeowners must make requests for legal opinions through the HOA president. On several instances the 3 Canyons attorney was consulted without any official approval or screening process. This had resulted in unnecessary attorney billings.

Rich Frederici presented the Board with the written recommendations from the Master Design Committee for the request to approve an entry monument for the La Marquesa development. It was noted that non-native and obstructive plantings were not allowed in the seventy (70) foot utility easement. It was also recommended that curb cut and culvert plans be presented to the Road Committee as soon as possible. The motion was made and seconded to adopt the Master Design Committee recommendation. The motion was carried unanimously.

Ron Slyter requested that an ad hoc Election Committee be established to include absentee ballots for the July BOD elections. Ron felt that Tom Pickering would consent to chair this committee. The motion was made and seconded to adopt the ad hoc Election Committee recommendation. The motion was carried unanimously.

Ron Slyter indicated that Section 20 East had requested that a representative be seated prior to the July election. No representative from Section 20 East was in attendance to present the recommendation to the BOD. The BOD elected to table any decision on seating a representative from Section 20 East until all members of that section could be solicited for consideration for the Board seat. This will occur at the annual meeting in July, 2006.

Appeals

No appeals were presented to the Board.

Call to Membership

David Hamilton, representing the Vista Del Oro (VDO) development, asked if signing the quit-claim deed would affect the VDO entry monument. Without a legal opinion, it was the Board consensus that if VDO signed the quit-claim deed it would not affect the existing entry monument.

Adjournment

A motion was made to adjourn. The motion was seconded and carried unanimously. The meeting was adjourned at 7:25 PM.