

Minutes
Three Canyons Ranch Homeowners' Association
Board of Directors Meeting
Palominas Fire District Training Center
April 10, 2024 @ 1730/5:30pm

1. Call to Order: Meeting called to order at 5:30pm by Mike Needham, President, at the Palominas Fire Department Training Center, 9222 S. Kings Ranch Rd, Hereford, Arizona.

2. Introductions and Review of Ground Rules

Directors Present

Directors Absent- None

Sec 19 Jill Watermann

Sec 22 Bowie Clemons

Sec 20E Will Platt

Sec 24 Bob Gilbert

Sec 20W Lynn Mattingly (VP)

Sec 21 Philip Isaacson

Sec 23 Mike Needham (P)

Sec 26 JoAnne Ehasz

Sec 27 Wayne Meckling

Sec 28 Stacy Smith

Sec 29 Dean Frazeur (Present until 6:30 pm)

The President provided a review of the meeting rules.

3. Revision and/or Acceptance of Agenda

Revisions: None

Accepted: Unanimous Vote

4. Revision and/or Acceptance of January 10, 2024 Board Meeting Minutes

Joanne Ehasz asked for clarification regarding Jan 10 Map Committee Updates. Donna Willard and Mike Needham provided clarification that the minutes are correct as written regarding the ingress/egress utility easements from Bloomfield Road to 3 Canyons Road. Please refer to the January 10, 2024 minutes for specifics.

Revisions: None

Accepted: Unanimous Vote

5. Call to Membership

Richard Bell, from La Pradera Village of Three Canyons HOA, wanted to bring to the attention of the BOD that there has not been a Village HOA meeting since June 2023. He asked what could be done from the Master HOA perspective. Lynn Mattingly referred to Section 14 of the Master HOA CCR's that specifically address how Villages must comply with the Master CCR's. Will Platt emphasized that the Master MDC is functioning as the La Pradera MDC until such time as the La Pradera Village can establish a functioning MDC. Lynn Mattingly reminded La Pradera residents that it is important to be mindful of the need to plan to collect assessments for the road and well maintenance in that Village. Philip Isaacson mentioned that there was a meeting in La Pradera prior to when Mr. Bell moved in, and that it was voted on to get legal advice on how to collect assessments for road and well maintenance. They are awaiting action on the part of the La Pradera President to implement the vote for legal advice. Mike Needham mentioned the option for establishing a Road Maintenance Agreement with Cochise County. The Master HOA can provide legal assistance, as long as the residents of La Pradera understand they are financially responsible for the costs of legal assistance. There was discussion about dissolving the Village of La Pradera, however legal consultation is needed.

6. HPAZNET LLC Proposal

Ben Tyler, HPAZ President, proposed an agreement with the Three Canyons HOA to upgrade, operate and maintain internet microwave radio transmission equipment at the Three Canyons West Gate and the Three Canyons East Gate in exchange for co-location space and a small amount of power to run the equipment. HPAZ will provide business grade internet connections to both gates for the operation of their security system. The details of the proposal were provided to the BOD.

Motion to accept: 8 for, 1 abstaining.

Motion was passed.

7. President's Report

A. The third CD matured in February and was reinvested for 12 months. Best available 12-month rate was 4.85%. The reinvestment means we will continue to have CDs maturing every 3 months. The next CD will mature in May 2024, and the plan is to reinvest the principal plus earned interest into a 12-month CD at the best available rate.

B. Cochise County Civil Subpoena for Gate Video footage.

On February 22, I received on behalf of 3 Canyons, a Cochise County Civil Subpoena to provide East and West Gate footage from the period 6am February 5 to 6pm February 6. The subpoena was delivered by a former 3 Canyons member. This former member was having a legal issue with his former (and current 3 Canyons member) spouse. The subpoena also directed me to review this footage and provide a written statement as to what I observed. The only video available was from the East Gate. The footage and statement was delivered on March 15

C. Received an email on April 10 from Dimetri Wilker that he is resigning as the 3 Canyons Web Site Administrator.

D. Received an email on April 8 from Bob Gilbert that he is stepping down as Road Committee chair and Board member at large effective with the July annual meeting

8. Treasurer's Report

Donna Willard summarized the Treasurer's Report for 10 Jan 2024 to 9 April 2024

A. Total Income YTD : \$189,518.78

B. Total Expenses YTD : \$49,316.06

C. Balance for the Operating Account: \$133,253.30

D. Balance for Road Account: \$283,912.29

E. Edward Jones: Interest Balance: \$915.52 in Insured Bank Deposit (1.70%)

F. Third CD Matured February 05, 2024

Original Investment: \$63,000.00

Amount at Maturity : \$65,429.56

Earned \$2,429.56

Feb. 8, 2024 Invested: \$65,000.00 Charles Schwab Bank Ssb Westlake at 4.85%

Total Assessments in arrears \$17,480.54

Total % of Assessments Collected: 89.9%

G. Annual project of cleaning up the member list, verifying owners, addresses and square footage, Complete, verified and notifications sent to PMI.

9. Committee Reports

A. MASTER DESIGN COMMITTEE (MDC) REPORT:

-Will Platt summarized the MDC activities for the period 10 January 2024 – 09 April 2024.

1. General: The MDC received and responded to multiple general inquiries, requests for information and assistance from members, prospective members and the PMI Team during the period.
2. Meetings: The MDC conducted 2 formal meetings to consider MDC business during the period. Video conference meetings were held on 13 February and 09 April 2024. The monthly meeting scheduled for 12 March was canceled due to lack of new business. An overview of salient actions is summarized in Paragraphs C – D below. Specific details are captured in the respective MDC Agendas, Minutes, Voting Logs & Notifications and documented in the MDC Archives.
3. Project Status Request:
 1. Summary. The MDC received & considered 03 project requests as reflected below. All requests were approved resulting in an approval rate of 100% for the current period. (Previous period approval rate was 100%).
 2. New Single-Family Residence (SFR) Construction. None.
 3. Accepted. The MDC considered & approved 3 non-SFR project requests during the period.
 4. Rejected for Non-Compliance with CCRs: None.
4. Violation Status: The MDC is tracking several alleged CCR violations as discussed during the BOD meeting.
5. Miscellaneous: The MDC is drafting language for posting on the 3C website in an attempt to proactively remind members of the provisions of CCR 4.2.6 et al (parking & storage of Motorhomes, Campers, Trailers and similar vehicles).

B. ROAD COMMITTEE REPORT:

Mr. Gilbert provided a written summary, Mr. Needham gave a verbal summary

1. Fence Cuts
 - a. None since last meeting. 2 reflector posts have been hit and bent.
 - b. Had damage to fence east of east gate due to vehicle chased by CBP. Appears to be fencing on private property and HOA cannot expend funds on repairs. Will be responsibility of property owners. Still researching this.
2. Mowing of 3 Canyons Road was cancelled due to the lack of rain. With new spring rains, plan on commencing mowing on or about 1 May 2024. Discussed need to mow on South easement by East gate to facilitate ditch drainage.
3. BNR has provided an estimate for paving from Route 92 to Palominas Road and a second estimate from Route 92 to the East Gate. These are for planning purposes so we know what to expect funds wise to cover the paving that should occur in the 2025-2027 time frame. I have requested clarifications on several points. Not yet received. I have built a list of 6 paving contractors to request bids from when paving is imminent.
4. JoAnne Ehasz brought to the BOD attention that there are abandoned car parts East of Calle Cielo Grande near where the fence posts are broken. She reported that Mr. Gilbert will investigate this.

C. GATE COMMITTEE REPORT:

Joyce Bender summarized the issues effecting the gates since the last quarterly meeting. It has been a slow quarter!!

-Gate repairs: There have not been any major problems this quarter. Minor problems that a reset with the key at the box fixed the issue. There was one call to the fire department to close the gate after a call from a resident within the gates.

-Unauthorized gate code sharing continues to be an issue.

A new process has started in conjunction with the MDC, whereby a code is assigned for new projects and their contractors. The gate code will be removed when the MDC has approved completion of the project. Requests for new codes runs in cycles. The first two codes were assigned as requested by the MDC Committee.

-We also discussed another option for managing gate codes: the use of a three-digit code, which is available at the gate call box. A visitor or contractor can enter the three-digit code and press the CALL button. The owner is then contacted by phone. The owner can answer, use the numerical pad on their phone, press 9, and the gate will automatically open and allow the visitor or contractor to enter.

-Note: that this remote entry three-digit code is available to all Three Canyons Ranch property owners, and this eliminates the need of the home owner to share their personal owners code.

Hopefully the new guidelines will eliminate confusion by new and long-term residents. See #15 below: Gate Policy Revision.

D. TRAFFIC COMMITTEE REPORT:

Updates from Donna Willard:

a. February 2024, five vehicles owned by one couple living in Rio Rancho Estates was turned into CCSO, Sgt. Borquez. Sgt Borquez reported that he talked with the female of the couple and explained they were trespassing when they traveled through 3CR to Highway 92. After their discussion, the female reported she would not drive through and only enter if she was visiting friends. Post discussion, I observed two of the vehicles exiting Rio Rancho and turning East toward Palominas Road.

b. An additional vehicle was reported at the same time. Sgt Borquez reported this vehicle came back with a Gilbert, AZ address. He could not locate the vehicle in Rio Rancho.

c. During this quarter, I reviewed approximately 25 access codes. Many were compromised and sent to the gate administrator.

c. Cameras 3, 4, 5, and 6 at the East gate were not recording Feb. 9th through March 6th. Al Armenta came on March 6th to correct and restart the system.

d. The President received a subpoena for 36 hours of video for both gates. Al Armenta had problems finding the time to get to 3 Canyons to copy the recordings and finding USB drives that would format with the recorder. Al taught me the process for copying the recordings at the gate. Procedure written. Traffic Control can copy any future requests

e. Discussion with Al regarding upgrading the license plate cameras at both gates.

-Currently, I cannot get photos of the license plates at night. Which is a problem, especially in the winter months.

f. Al has put together a proposal for 4 upgraded cameras and 2 upgraded recorders. 2 Cameras and 1 recorder for each gate. He provided a proposal of \$2595.00. This amount is included in the projected budget for FY 24-25.

MAP COMMITTEE REPORT:

Updates from Donna Willard:

1. One 115-acre property in Section 22 was surveyed and split into 4 parcels. (104-01-011S), creating 4 new parcel numbers: 104-01-314 A,B,C,D. One of these parcels was transferred to a new owner: 104-01-314C.
2. Two 4-acre parcels (104-01-053G & 053L) in Section 20W were combined. New parcel number 104-01-053R
3. There are no new projects for the Maps Committee.

10. Status of AZ Dept of Real Estate Hearing

-Mike Needham summarized the results: Judgement was in favor of Three Canyons HOA. Mr. Needham suggested that because we had all the documentation needed, attorneys may not be needed should this situation occur in the future.

11. Recommendation from Smith and Wamsley (from Jan 10 2024 meeting)

-Mike Needham instructed them to proceed with foreclosure on behalf of the Three Canyons HOA.

12. Ballot for Board of Directors Election

- A copy of the Ballot is attached to these minutes. (See below).
- As there were no candidates for Sections 22 and 24, they will not be on the ballot. Please see Ballot Instructions and Guidelines, attached to these minutes.
- PMI will update the pertinent information for all BOD members to Arizona Commissions Corporation after the July election.

13. Voting Guidelines/Information for Board of Directors Election (See Attached)

14. Formation of Voting Committee

-A voting committee was selected: Jeri Mattingly, Char Meckling, JoAnne Ehasz

15. Gate Policy Revision

- A new gate policy was written by Joyce Bender, reviewed, and discussed by the BOD, and was approved 8-0 with discussed changes made in final form communicated by email. The final Three Canyons Gate Policy along with the Gate Application form will be posted on the web when approved in final form.

16. Traffic Control PP&O

-The Traffic Control Policies, Procedures and Operation were reviewed, discussed and accepted by the BOD by 8-0 vote.

17. 2024-2025 Budget and Assessment Rate for 2024-2025

- The proposed budget was reviewed and approved by 8-0 BOD vote.
- The BOD voted 8-0 to reinvest \$250,000 in an FDIC insured CD. Interest earned will be applied to the Road Account.
- There was additional discussion regarding the cost of repaving Three Canyons Road in the future. Pending additional bids (see Roads Committee Report) to better determine the total cost, the BOD voted (7-1) to leave the current assessment rate at \$15/membership.

18. Call to Membership

-Richard Bell from La Pradera voiced concern regarding construction trash blowing into his and other properties in La Pradera. The BOD discussed that there is no requirement for builders to have a dumpster on

a property during construction. **However, at all times the CCR's (4.2.5, 4.2.9 & 4.2.11) prohibit garbage or trash being visible from other lots or the common areas.**

19. Adjournment by Mike Needham, President, at 8:45pm

**Three Canyons Ranch Master Homeowners' Association
2024 Annual Members Meeting
Board of Directors Election Ballot
Saturday, July 13, 2024 @ 9:30am
Palominas Fire Department Training Center
9222 S. Kings Ranch Rd, Hereford, AZ**

Vote for Board of Directors

You may split your number of membership votes between any of the listed candidates. Please write numbers legibly. For 2024, only the even-numbered sections of the board seats are up for election. No owners from Sections 22 and 24 submitted their name for the ballot those sections do not appear on the ballot.

<u>Candidate</u>	<u>Section</u>	<u># of Votes</u>
Will Platt	20E	_____
Lynn Mattingly	20W	_____
JoAnne Ehasz	26	_____
Stacy Smith	28	_____

ATTACH MEMBERS LABEL

Signature: _____ Date: _____

Visit the 3 Canyons website (threecanyonsranch.com) and sign up for official email announcements. The link is on the homepage. Current 3 Canyons' governing documentation is also posted under the Documents tab.

PLEASE REMEMBER ASSESSMENTS ARE DUE IN FULL BY JULY 1ST

Ballot Instructions and Information

A quorum, 10% of all memberships, is necessary to conduct the election. Ballots received prior to or at the annual meeting will be used to establish a quorum. This ballot is valid only for the 2024 Annual Membership Meeting scheduled for July 13, 2024. Mailed ballots must be received by the Voting Committee no later than July 12, 2024. Once cast, the ballot may not be revoked.

Printed above the signature line on the ballot is information concerning your parcel(s) number and number of memberships (votes). This information is taken from Cochise County records. If you feel the information is incorrect, please notify the Association.

Please return your ballot in person at the meeting or mail to the following address:

Three Canyons Ranch Master Homeowners' Association
PO Box 970
Hereford, AZ 85615

Voting Guidelines

(approved by the Board 4/10/2024)

1. Voting ballots may be mailed or delivered in person by the member at the annual meeting.
2. Board Directors are elected for two-year terms. This year's election (2024) will be for Board Directors for sections 20E, 20W, 26, and 28. No owner from Sections 22 and 24 submitted their name for the ballot so there is no candidate for either section on the ballot.
3. Within each section, the candidate with the most votes will be declared the winner.
4. 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 appointed by the Board of Directors.
5. Ballots will be retained for one year following the election. After one year, the ballots will be destroyed.
6. You may vote if you own property in Three Canyons Ranch. (Memberships and Voting are covered in section 6 of the CC&R's).
7. All members of record as of July 1, 2024, will be eligible to vote in the 2024 election.
8. Members may cast all votes or allocate among the members on the ballot.
9. Members who are running for a section board seat must own property in that section.

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3 CANYONS RANCH MASTER HOMEOWNERS ASSOCIATION

Traffic Control Policies, Procedures and Operation

SECTION 1: INTRODUCTION

3 Canyons Ranch Master Homeowners Association, hereinafter referred to as 3 Canyons HOA, utilizes seven (7) miles of paved roadway to access properties within the 3 Canyons HOA boundary. This roadway is 3 Canyons Road. The speed limit for 3 Canyons Road is posted at 35 MPH. The 3 Canyons HOA utilizes two access points to provide traffic control on 3 Canyons Road. These access points are the East Gate and the West Gate.

This memorandum identifies the policies, procedures, and operations to manage traffic control through the two gates and along 3 Canyons Ranch Road. The intent of this management is:

- A. To establish a system of traffic control (unauthorized access and vandalism) on 3 Canyons Road and the two gates.
- B. To identify administrative and legal actions that can be taken against Trespassers, Members, Renters, Member's family/guests, service providers and other users of 3 Canyons Road who violate 3 Canyons HOA rules and regulations. The property owner has ultimate responsibility for Renters, family/guests.
- C. To establish a system of communication with the gate committee regarding misuse /abuse of Gate access devices.
- D. To establish a system of communication with local law enforcement to assist with traffic control, vandalism, and the legal processes.

SECTION 2: SECURITY CAMERAS

3 Canyons Ranch HOA has purchased and installed, by a professional security company, cameras at the East and West Gates. These cameras will provide video and pictures with date/time stamps to prove trespassers using illegally obtained remotes, cards, and gate codes. Before any legal measures are taken:

- A. The traffic control committee will submit a report to the Gate Administrator consisting of the date, time, and gate of entry of suspected trespasser. See Section 6.
- B. The Gate Administrator will process the information per the Gate Administrator policies and Procedures.
- C. If the trespasser continues to enter illegally, pictures with date and time stamp will be provided to the Cochise County Sheriff's Department and or in coordination with the Board of Directors (BOD) President and with the 3 Canyons HOA's Attorney for processing.

SECTION 3: VANDALISM

In the Case of Vandalism to the Gates or property of 3 Canyons Ranch HOA:

- A. Video with date/time stamp of the event along with an incident report will be submitted to the Cochise County Sheriff's department, in coordination with the BOD President and with the 3 Canyons HOA's attorney, by the Traffic Control Chair or the Gate Administrator.

3 Canyons Ranch 2024 - 2025 Monthly Budget			12084 Memberships	Rate \$15.00
Beginning Balance:			Ending Balance	\$0
\$0.00	MONTHLY	YTD	BUDGET	REMAINING
Income Total	\$0	\$0	\$211,240	<u>\$211,240</u>
Assessments	\$0	\$0	\$198,740	<u>\$198,740</u>
Late Fees	\$0	\$0	\$1,100	<u>\$1,100</u>
Assessment Interest	\$0	\$0	\$1,000	<u>\$1,000</u>
Gate	\$0	\$0	\$1,000	<u>\$1,000</u>
MDC	\$0	\$0	\$1,100	<u>\$1,100</u>
Transfer Fees	\$0	\$0	\$3,000	<u>\$3,000</u>
Construction Deposits	\$0	\$0	\$3,000	<u>\$3,000</u>
Recovered Legal Fees	\$0	\$0	\$500	<u>\$500</u>
Recovered Management Fees	\$0	\$0	\$1,600	<u>\$1,600</u>
Miscellaneous Deposits	\$0	\$0	\$200	<u>\$200</u>
Expenses Total	\$0	\$0	\$211,240	<u>\$211,240</u>
Admin	\$0	\$0	\$97,173	<u>\$97,173</u>
Board	\$0	\$0	\$600	<u>\$600</u>
MDC	\$0	\$0	\$450	<u>\$450</u>
Gate	\$0	\$0	\$625	<u>\$625</u>
Road	\$0	\$0	\$640	<u>\$640</u>
Documents	\$0	\$0	\$30	<u>\$30</u>
Map	\$0	\$0	\$200	<u>\$200</u>
Website Maint	\$0	\$0	\$190	<u>\$190</u>
Construction Deposits Refund	\$0	\$0	\$8,000	<u>\$8,000</u>
Refund to Owner	\$0	\$0	\$100	<u>\$100</u>
Assessment Prepayments	\$0	\$0	\$2,904	<u>\$2,904</u>
Escrow funds to Road Reserve	\$0	\$0	\$83,434	<u>\$83,434</u>
Unearned Income	\$0	\$0	\$1,039	<u>\$1,039</u>
Accounting	\$0	\$0	\$1,000	<u>\$1,000</u>
Attorney	\$0	\$0	\$17,500	<u>\$17,500</u>
Litigation	\$0	\$0	\$15,000	<u>\$15,000</u>
Professional Services	\$0	\$0	\$2,500	<u>\$2,500</u>
Platinum Management	\$0	\$0	\$10,800	<u>\$10,800</u>
Insurance	\$0	\$0	\$8,162	<u>\$8,162</u>
Board	\$0	\$0	\$2,400	<u>\$2,400</u>
Property	\$0	\$0	\$5,762	<u>\$5,762</u>
Taxes	\$0	\$0	\$100	<u>\$100</u>
Gate	\$0	\$0	\$19,505	<u>\$19,505</u>
Warranty	\$0	\$0	\$9,240	<u>\$9,240</u>
Utilities	\$0	\$0	\$2,665	<u>\$2,665</u>
Lighting	\$0	\$0	\$100	<u>\$100</u>
Remotes & Cards	\$0	\$0	\$1,000	<u>\$1,000</u>
Maintenance	\$0	\$0	\$1,500	<u>\$1,500</u>
Repair	\$0	\$0	\$5,000	<u>\$5,000</u>
Road	\$0	\$0	\$52,500	<u>\$52,500</u>
Maintenance	\$0	\$0	\$27,500	<u>\$27,500</u>
ROW/Mowing	\$0	\$0	\$20,000	<u>\$20,000</u>

Fence	\$0	\$0	\$5,000	<u>\$5,000</u>
Traffic Control	\$0	\$0	\$4,500	<u>\$4,500</u>
Maintenance/ Cloud Fees	\$0	\$0	\$1,000	<u>\$1,000</u>
Equipment/Miscellaneous	\$0	\$0	\$3,500	<u>\$3,500</u>
			Budget	Balance
Contingency- Savings		\$0		\$0
Road Savings Account		\$0		\$33,912
Const. Deposit Checking		\$3,200		\$7,200
Const. Deposit Savings	\$0	\$0		\$1,596

Approved by BOD April 12, 2023

INVESTMENTS Edward Jones				
PNC Nat. Assn Wilmington 5.25% Aug. 8, 2024			\$62,000	
Commercial Bank Dallas 5.45% Nov. 15, 2024			\$64,000	
Schwab 4.85% Jan. 30, 2025			\$65,000	
Trust Bank 5.05% April 17, 2025			\$125,000	
Goldman Sachs 5.05% April 22, 2025			\$125,000	
Wells Fargo Natl Assn 5.2% 5/7/25			\$67,000	
CD Interest earned to date 5/31/24			\$8,037	
Insured Bank Balance 1.70%			\$206	