

3 Canyons Ranch Master Homeowners Association  
Annual Membership Audit Guidelines

(Approved by the Board of Directors July 22, 2006)

1. The Secretary of the Board of Directors shall direct and conduct an annual audit of the membership records following the procedures outlined in these guidelines. The purpose of the audit is to ensure members of the accuracy of the membership information used in voting and assessment processes. If possible, the Board member from the section being audited will assist in the audit of the property in his/her section.
2. The audit shall include a visual inspection of all property covered by the 3 Canyons Ranch Homeowners Association CC&R's to verify the existence or construction of homes.
3. The audit shall be conducted by comparing the results of
  - a. The visual inspection described in paragraph two (2),
  - b. The association records,
  - c. Building permits issued by the county planning and zoning department, and
  - d. The records of the county assessor.
4. Where the visual inspection shows the existence or construction of a home that is not recorded in the Association records, information on the county building permit shall be used to initiate an assessment based on the square footage of the home and date the building permit was issued.
5. Where the records of the county assessor show information concerning the square footage of a residence that is different than the information in the association records, the information in the county assessor records shall be used to correct the association's records and the current year's assessment.
6. Any refund or amount due based on corrections to records will be paid or collected to correct only the current year assessments. Adjustment will be processed by sending the member either a refund or corrected assessment. A letter will be sent to the member with the corrected

assessment or refund notifying them of the information used to make the adjustment. No adjustments outside the current year's assessments will be made, except for the circumstance listed in paragraph four (4).

7. Where the records of the county assessor show information concerning the owner, address or parcel number that is different than the information in the association records, the information in the county assessor records shall be used to correct the association's records. The Association records will also be updated when a report of transfer is received (including a copy of the deed) or the member notifies the Association of a change of address.
8. The Secretary of the Board of Directors shall report the completion of this audit to the Board of Directors at a regular Board meeting including a summary of any adjustments made to the association's records and assessments.
9. Any owner who disagrees with the results of the audit may appeal to the Board of Directors. The Secretary of the Board of Directors shall obtain and provide copies of all documents used in the audit process that apply to an owner's appeal.