

Meeting Minutes for
Sandpiper Resort Owner's Association
Quarterly Meeting (Annual)
January 19, 2013

Present: Gerald Szymanski - #8
Mike Magnuson & Genie Walls - #71
James & Audrey Von Zabern - #2
Jim & Mona Protomaster - #4
Christopher Charlwood - #55
Darrel & Stephanie Gregory - #72

Meeting called to order by Gerald Szymanski, President, Sandpiper Resort Owner's Association, at 9:10 a.m. Meeting was held at the Boat Safety Center.

Officers were introduced: Gerald Szymanski, President, Mike Magnuson, Secretary/Treasurer

Minutes were approved, motion made by Genie Wall, seconded by Audrey Von Zabern.

Treasurer's Report was approved, motion made by Audrey Von Zabern, seconded by Darrell Gregory.

Toscana Project – The project fell out of escrow. Negotiations with the owners are still going back and forth with the attorneys on both sides. Costs of replacing streets and a gate are being reviewed for a possible cost sharing agreement.

Spa – There was a discussion of the cost of running the spa in the winter as it is costing approximately \$56 per unit per month to heat the spa with propane. Property manager will check with Pool Company about getting a better insulated cover and also speak with the propane company and see if we can get a contract setting the rate per gallon, so it does not increase from year to year. It was also discussed that if the temperature drops to a certain low that the spa heater be shut off to conserve, but will need to talk to the pool company to see if this would be OK as it might freeze the pipes.

Parking – Parking above garage area was discussed again of giving permits for an monthly fee to park in this area, if anyone is interested in renting a space to park for \$35 per month, please contact the Property Manager. Also, there are still problems with people parking on other people's property, if this happens to you, call Toe Truck at 928-669-5400 and have them towed. The Property Manager is also trying to resolve the problem of people parking in the street where it is not allowed, if you have a problem, please contact her. The Board is also working on getting the streets lined for no parking zones.

Pool – The pool project is about 2/3 complete, so hopefully this will help in keeping the pool in good condition.

Maintenance Garage – The garage needs to be cleaned out and other things stored in there, so there will be a cleanup day scheduled to work on this project. That date will be after the next meeting.

Balconies – There are 4 units that have not complied with inspections of their balconies and will be fined every month until this is done beginning with February dues statements.

Meeting Dates – 4/20/13, 7/20/13, 10/19/13 and 1/18/14

Vice President – Stephanie Gregory was nominated by Genie Wall, seconded by Audrey Von Zabern, motion carried. Stephanie accepted.

Website – Discussed new website that was set up by Audrey Von Zabern, thank you Audrey, she has done a great job. Take a look at it by going to Sandpiperhoa.com. Let Audrey or the Property Manager know if there is anything you would like to post or see on the website.

Next meeting will be 4/20/13 at 9AM at the Boat Safety Center. Following the meeting will be a HOA clean up party and BBQ. Please RSVP, so we can get a count on how many people will be able to attend. Also, check out the website as Audrey will be putting information in regards to this out there asking you to bring a side dish to go with Hamburgers and Hot Dogs that will be supplied by the HOA.

It was also noted by the President that Fire Pits are not allowed on the property per the CC&R's due to fire hazard. Please discontinue doing this or you may be cited.

The meeting was adjourned at 10:44 a.m. Motion made by Genie Wall, seconded by Audrey Von Zabern.

Report submitted by:
Beth Shamburg, Property Manager.

Meeting Minutes for
Sandpiper Resort Owner's Association
Quarterly Meeting
April 20, 2013

Present: Gerald Szymanski - #8
Mike Magnuson & Genie Walls - #71
James & Audrey Von Zabern - #2
Stephanie Gregory - #72
Pamela Plank - #12
Ronald & Sandra Cooke - #38

928
669-9841

Meeting called to order by Gerald Szymanski, President, Sandpiper Resort Owner's Association, at 9:01 a.m. Meeting was held at the Boat Safety Center.

Officers were introduced: Gerald Szymanski, President, Mike Magnuson, Secretary/Treasurer & Stephanie Gregory, and Vice-President

Minutes were approved with a change to the members present as reported Jim & Mona Protomaster to Charles & Diana Protomaster, motion made by Mike Magnuson, seconded by Audrey Von Zabern.

Treasurer's Report was approved, motion made by Genie Walls, seconded by Pamela Plank.

Toscana Project – Jerry gave an update. Toscana has offered \$13,000 plus \$500 per unit sold and agreed they would have no gates to enter their property as not to tie up traffic with the agreement that we would put up an entry gate with keys for their people for access. We asked for a repair clause for the streets in return for heavy equipment and the negotiations are now stalled.

Spa/Pool – The upgrades have been made to the pool & spa and are working real well. The propane problem was compounded with the low temperatures, cover not on spa due to work being done on it and also there was a leak found at the propane tank which was fixed by the company with no charge to us. Discussion of pool gate lock sticking. Will have the company work on the lock. It was requested that we replace the lock and distribute all new keys; this was discussed, but was shut down as the cost to do this is not in the budget at this time.

Parking – Parking above garage area was discussed again of giving permits for a monthly fee to park in this area, if anyone is interested in renting a space to park for \$35 per month, please contact the Property Manager. The spots may be rented by an Owner or Tenant, but will be paid quarterly in advance and you must have current registration and insurance and what is stored must be in working condition and no sub-letting. Motion made by Mike Magnuson, seconded by Audrey Von Zabern. Also, there are still problems with people parking on other people's property, if this happens to you, call Toe Truck at 928-669-5400 and have them towed. The Property Manager is also trying to resolve the problem of people parking in the street where it is not allowed, if you have a problem, please contact her. The Board will be lining the streets after the meeting for no parking zones. A homeowner has requested several times that it be allowed with approval of the Board to chain the driveways. This was discussed, but there was not a decision on this made at this time.

Explanation was made of the new Fannie Mae requirements to obtain a conventional loan for Condominiums. It is required that the Association be putting 10% of the dues into a reserve account. This is not possible at this time without raising the dues.

Dogs – We are still having problems with dogs running free and doing their business and it not being picked up. If you see this problem and can determine where the dog is coming from, please contact the Property Manager to follow up with this problem.

Watering – We did have a broken pipe that delayed watering, that has been fixed and the greenery is coming back.

Next meeting will be 7/20/13 at 9AM at the Boat Safety Center.

The meeting was adjourned at 10:15 a.m. Motion made by Genie Wall, seconded by Pamela Plank.

Report submitted by:
Beth Shamburg, Property Manager.

Meeting Minutes for
Sandpiper Resort Owner's Association
Quarterly Meeting
July 20, 2013

Present: Gerald Szymanski - #8
Mike Magnuson & Genie Walls - #71
James & Audrey Von Zabern - #2
Darrell & Stephanie Gregory - #72
Pamela Plank - #12
Sandra Cooke - #38
Mark & Shirley Swenson - #38
Cindy Casey - #9
Bill & Judy Bell - #42
Frank Barrett - #5

Meeting called to order by Gerald Szymanski, President, Sandpiper Resort Owner's Association, at 9:05 a.m. Meeting was held at the Boat Safety Center.

Officers were introduced: Gerald Szymanski, President, Mike Magnuson, Secretary/Treasurer & Stephanie Gregory, Vice-President

Minutes were approved with a change to the members present as reported Ronald & Sandra Cooke to Mark & Shirley Swenson (Co-owners), also it was stated in the minutes that the painting of no parking areas was discussed and it was not discussed in the meeting, but was planned to be done at the work session following the meeting, motion made by Mike Magnuson, seconded by Cindy Casey.

Treasurer's Report was approved, motion made by Genie Walls, seconded by Pamela Plank.

Toscana Project – Jerry gave an update. There is a tentative agreement for an easement. This easement must be approved by 2/3rds of the homeowners. Toscana would pay \$13,000 plus \$500 per completed unit to be used by the Association for what is decided. Also, future road repairs will be pro-rated by the 2 Associations by number of units. There is also a separate agreement that Sandpiper will put in a gate at the entrance to be used by both Associations. The \$13,000 amount was derived as this is what our attorney has estimated the attorney fees would be if Toscana would take us to court and sue us for the easement. Our attorney and the title company have both said that if we go to court we will lose and have to pay all attorney fees. There was a discussion of the entrance gate, how entry codes would work and the cost. A lot of discussions will be held at a later date about this. The gate will cost approximately \$25,000. Motion was made by Genie Walls, second by Audrey Von Zabern to put all homeowners names in a hat for a drawing of \$50 off 1 month's dues for all homeowners that return their ballot for approving the easement within 30 days (Board members exempt). Motion Carried.

Ground Maintenance – It was discussed that from unit #9 to unit #14 are not being watered and the grass and trees are dying. Beth will speak with Lloyd about reducing the water being used at the entrance and using it in this area to bring it back.

Discussion of Pool Gate still sticking. The locksmith has looked at the lock and said that it is fine. Bill Bell has asked a welder in town to take a look at his expense at the hinges, as that is the problem with the gate, so hopefully real soon it will be taken care of.

Sewer smell was addressed. We have no control of that and the Buckskin Sanitation District is doing all they can to keep it down until the plant is finished.

Next meeting will be 10/19/13 at 9AM at the Boat Safety Center.

The meeting was adjourned at 10:25 a.m. Motion made by Genie Wall, seconded by Cindy Casey.

Report submitted by:
Beth Shamburg, Property Manager.

Meeting Minutes for
Sandpiper Resort Owner's Association
Quarterly Meeting
October 19, 2013

Present: Gerald Szymanski - #8
Mike Magnuson & Genie Walls - #71
James & Annalee Hill - #43
Robert Wilson - #50
Pamela Plank - #12
Bob & Diana Rose - #56
Mark Swenson - #38
Cindy Casey - #9
Bill & Judy Bell - #42
Frank Barrett - #5

Meeting called to order by Gerald Szymanski, President, Sandpiper Resort Owner's Association, at 9:05 a.m. Meeting was held at the Boat Safety Center.

Officers were introduced: Gerald Szymanski, President, Mike Magnuson, Secretary/Treasurer.

Motion made by Judy Bell, second by Pam Plank to waive the reading of the last minutes. Motion approved. Motion made by Mike Magnuson, second by Pam Plank to approve minutes. Motion carried.

Treasurer's Report was approved, motion made by Bill Bell, seconded by Pamela Plank.

Buckskin Sanitation District Manager gave a presentation on the progress of the treatment plant. Belfor, the contractor, had to let their project manager go, hence delay in construction. Hope to have project completed in four weeks. Now putting up interior walls which are being insulated which should make the plant quieter. They have enclosed the head works of plant which should also make it quieter and less noxious odor. They have added chlorine scrubbers to the system which should improve odors. Visible white tank will be screened by masonry walls and wrought iron gate. Tank includes a blower which is energized in the event of a chlorine leak. Code requires twelve air changes per hour in the work area to protect workers so vents will be added in the roof. They also will add man doors in the roof for emergency egress. There should be some funds left over on the project to consider landscaping around the plant.

Toscana Project – Toscana negotiations have settled and easement is now recorded. Title company estimated 13K as cost of litigation, hence the 13K received from Toscana. Our attorney fees were \$2300, which were paid out of the 13K. Negotiations took out the requirement of \$500/additional unit to be contributed towards cost of gate. Sandpiper has until end of 2014 to complete the gate, otherwise, Toscana does not have to contribute an additional 2K towards gate and may construct their own gate/fence in the future. Toscana obligated to contribute 4/42nds towards our future maintenance/repairs on the roads.

Construction costs for a gate(s) similar to Miraleste is estimated at 20K plus masonry and stucco work. Beth will get current bids for the gate/fence. Sandpiper got 26 votes to pass easement, the minimum number of votes to pass the action. Drawing held at the meeting for \$50 off dues, Jason Barry's name, #52 was drawn.

Discussed street/site lighting. Many of street/site lights are inoperable. Cost of \$2500 to repair (replace ballast) and \$5000 to replace all lights. Association does not have funds to repair or replace. Beth will check with Jimmy at J&S Electric to see if APS has any rebates or incentives to go with more energy efficient outdoor lighting.

Landscaping: System is thirty years old and has a water pressure problem. Two 7500 gallon tanks were supposed to be put in, contractor installed two 5000 gallon tanks which when full only supply 4000 gallons, so Sandpiper is short on water for landscaping. Buckskin is to supply us with 15000 gallons per day. We need to install an additional 5000 gallon tank at cost of \$4800 plus installation.

Some history on Sandpiper, original board president paid herself \$1500 per month and deeded roads and adjacent lot to herself/corporation. Sandpiper should have \$200K in reserves, which we do not. Considerable funds were expended in a lawsuit to restore the association's ownership of the roads and adjacent lot. Sandpiper would need to assess each homeowner \$8K to generate the \$200K for reserves.

Comments included that the complex needs some color. Association could put in plants which would add color. Need to get a list of approved plants the homeowners could have installed in their courtyards.

Vacant lot (located west of the grass area at the Sandpiper entrance) which is currently for sale, is zoned R-3 according to one of the homeowners (to be verified by Beth). If found to be true, Beth will revise the listing to note this. If that is the case this would allow the lot to accommodate three dwelling units/tri-plex. Hopefully, this information will enhance marketing of the property.

Spa Heating: Noted that the spa is an amenity that was included when homeowners made their purchase, so heat cannot be turned off in the winter. Spa is heated with propane. Spa is currently heated five months of the year at a cost of approximately \$800 per month. Attendees agreed that heat will be turned on the first of November.

For those that want to have a Contractor paint the exterior trim on their condos. The color of roof eave fascia/door trim is Behr Arabian Sands 280E-2. Color of garage doors and unit front doors is Behr Heirloom Lace 280E-1.

A subcommittee has been formed to prioritize the needs/improvements for Sandpiper and make recommendations to the board of directors. Volunteers for subcommittee are Bob Wilson #50, Mark Swenson #38, Pam Plank #12, Jim Hill #43.

Next meeting will be our annual meeting on 1/18/14 at 9AM at the Boat Safety Center.

The meeting was adjourned at 11/10 a.m. Motion made by Mike Magnuson, seconded by Jim Hill.

Report submitted by:
Beth Shamburg, Property Manager.

SANDPIPER RESORT OWNERS ASSOCIATION

Nomination Form

The positions of President and Secretary/Treasurer, a two year term, will expire in January 2014 and we are requesting nominations to fill the positions. The election will be held at the Annual meeting on January 18, 2014.

The nominee must be:

- A Sandpiper Resort Owner
- A member in good standing of the HOA
- Ready, willing, and able to serve a 2-year term if elected.

If you would like to nominate someone (and yes, that "someone" may be yourself), please complete the Nomination Form below and mail it, **along with your next HOA dues payment**, to:

Sandpiper Resort Owners Association
P.O. Box 771
Parker, AZ 85344

Sandpiper Resort Owners Association Nomination Form

Your Name: _____

Your Unit No: _____

Person You Are Nominating for President:

Person You Are Nominating for Secretary/Treasurer:

Why You Believe This Person Is Best Qualified:

Prior to submitting this form, please confirm with the person you are nominating that s/he is willing to be considered for nomination.

SANDPIPER RESORT OWNERS ASSOCIATION
P.O. BOX 771
PARKER, AZ 85344

December 20, 2013

Re: Notice of Annual Meeting and Election of Officers

Dear Owners:

This letter shall serve as your formal notification of the annual meeting of the Sandpiper Resort Owners Association to be held at 9:00 a.m. on Saturday, January 18, 2014, at the La Paz County Sheriff's Office Boating Safety Center located next to Buckskin Fire Department.

The agenda for the meeting shall include the following:

- Introduction of Officers
- Reading of the last minutes
- Treasurer's Report
- Election of President & Secretary/Treasurer for 2014-2016 term
- Budget for 2014
- Any additional business matters which may be brought up at the meeting
- Establish quarterly meeting schedule for 2014

The meeting will begin promptly at 9:00 a.m. Your attendance is invited. Should you wish to add an item to the agenda, please submit your request in writing no later than January 15, 2014, or by email (sandpiperhoa@yahoo.com).

Beth Shamburg, Property Manager

SANDPIPER RESORT OWNERS ASSOCIATION

P.O. Box 771
PARKER, AZ 85344
(928) 669-9268

November 20, 2013

Dear Homeowner,

As most of you already know our reserve account needs to be built up in order to meet the obligations and improvements to the property. This situation was caused by dues not being collected properly for 20 years prior to the lawsuit in 2006. The actual reports showing this will be available at the January meeting. In 2006 it was determined that we were \$132,070.89 (\$3,475.55) short in what we should have had in our reserves had they been properly funded in the past. We had no way to fund that without increasing dues by hundreds of dollars a month or having a special assessment for the \$3,475.55 per unit. We are still running short every month and that is why we cannot fix everything.

By making these improvements would also help to increase the value of your property.

At the last meeting there was a committee of 5 homeowners formed to prioritize the issues by importance and expenditures, but in order to make these a reality, the association needs your help.

We need your input on how much each owner would be willing to pay as an assessment to help this situation. Please circle the amount on the enclosed form and return by 12/31/13, so it can be discussed at the January meeting. Please respond even if it is No Assessment.

Also, due to not enough money available to meet Fannie Mae requirement in the reserve account which is 10% of dues per month and to pay the monthly bills, effective 2/1/14 the monthly dues will increase 5% to \$258.

Sincerely,



Beth Shamburg
Property Manager

SANDPIPER RESORT OWNERS ASSOCIATION

**P.O. Box 771
PARKER, AZ 85344
(928) 669-9268**

July 24, 2013

Dear Homeowners:

We have reached a tentative agreement with the new owners of Toscana for an easement. The agreement will require 26 Sandpiper property owners to sign the form attached. Time is of the essence (in other words, they can withdraw from this agreement at anytime before we receive 26 votes), so the property owners who submit the form to Beth within 30 days will be entered into a drawing for a one-month \$50.00 deduction from their monthly dues. Board members will be exempt from the drawing.

The agreement is attached and states that they will enter into a cost-sharing agreement for the roads with Sandpiper. They will also pay us \$13,000 up front plus an additional \$500 for every unit completed. A completed unit will be defined as a unit with a roof on it. Currently, four units meet that definition, so we will be receiving \$15,000.

If we do not receive 26 signatures, then the new owners of Toscana will be forced to sue us for an easement. Although nobody knows how a court will rule, we have been advised by our attorneys, and the title company, it is highly unlikely we will prevail in denying them an easement. By law, they cannot be landlocked and they have been using the roads for over a decade so there is a legal precedent for an "easement by prescription".

The title company estimated that the new owners of Toscana would spend approximately \$13,000 in attorney fees and that is where we came up with that number. We would also have attorney fees, which we will have to pay for ourselves and we do not have the money. So it appears in our best interest to sign this agreement. Otherwise, we not only risk losing all the money spent on our legal fees to defend ourselves we may even be responsible for their legal fees. That would essentially bankrupt us and skyrocket our dues.

There was some confusion at the HOA meeting on the installation of a gate. I may not have been clear on explaining it. In the full agreement, which does not require a vote, there is a clause that if we install a gate at our entrance within 18 months, they will not install gates at their three entrances and they will enter into a cost sharing agreement with our gate once it is finished.

If we do not complete a gate within 18 months, they will be free to put gates at their three entrances. We would still keep the \$13,000, plus \$500 per completed unit, and cost sharing for the roads, but we could not stop them from installing gates and they would not be responsible for cost sharing our gate. We would, of course, be required to grant them access through our gate.

Hopefully, this makes it clear. The requested signatures are to grant them an easement. They do not require us to install a gate. We do want to install a gate, so we advised the attendees at the HOA meeting that is what we would like to do with the \$15,000 is to put that money toward a gate. We planned a gate a long time ago and the electric has already been run under the asphalt and we have the lights being stored in the storage unit. The gate will match as closely as possible the gate across from Sandpiper at Miraleste Shores.

I hope this makes sense and clears up any confusion from last weekend's HOA Meeting.

Thank you for your time and consideration in this matter.

It was a good idea for you to send the concerned owners the copy of the easement agreement. A central point of confusion is the nature and conditions for the various types of payments. Perhaps it would help to break it down this way:

1. \$13,000 payment in an upfront payment for granting of the easement and keeping this matter out of litigation.
2. Road Maintenance Expense payment – based on the number of Completed Units in Toscana. This is *not* conditioned on any sort of 18 month timeframe. Toscana will pay Sandpiper its proportionate share of the easement maintenance costs for the life of the easement (which is presumably perpetual).
3. Gate Contribution payment – based on the number of Completed Units in Toscana – payment will total \$500 per Completed Unit. This is conditioned on Sandpiper completing the gate in 18 months. If the gate is completed within 18 months, Toscana will pay the *one-time* gate construction payment of \$500 per Completed Unit (as of 12/31/14). If the gate is not completed by 12/31/14, Toscana will not have to pay the Gate Contribution payment at all.
4. Gate Maintenance Expense payment – based on the number of Completed Units in Toscana and conditioned on Sandpiper completing the gate (but completion not required to occur within 18 months). Toscana will pay its proportionate share of gate maintenance costs through the life of the easement, like the Road Maintenance expense payment.

A few other points:

- Toscana did not agree to not put up any gates on their property (e.g. this is not in the Agreement), but it does not sound like they intend to do so anyway.
- Toscana has no control over whether or not Sandpiper constructs the entrance gate. Sandpiper is not obligated to construct the gate, but it can do so if it wishes. The \$13,000 payment is not tied to the gate. The only payments that are tied to the gate are the Gate Contribution and Gate Maintenance payments.
- None of Toscana's payments are conditioned upon a timeframe for construction in the Toscana development (e.g. the statement that "if no construction takes place in Toscana within 18 months, then Toscana does not need to make any payments at all" is entirely false).

Feel free to forward the above information to the owners as well.

SANDPIPER RESORT OWNERS ASSOCIATION

P.O. Box 771
PARKER, AZ 85344
(928) 669-9268

July 30, 2013

Enclosed find the draft settlements with Toscana and a letter from one of the homeowners with more clarification.

Sincerely,

Beth

Beth Shamburg
Property Manager

When recorded return to:
Bruno, Brooks & Goldberg, P.C.
(Folder)

EASEMENT AGREEMENT

This Easement Agreement (this "Agreement") is entered into as of the ____ day of _____, 2013 by and between SANDPIPER RESORT OWNERS ASSOCIATION, INC., an Arizona non-profit corporation (the "Association"); and, TRIDUN, LLC, an Arizona limited liability company ("Tridun" and with the Association, each a "Party" or collectively, the "Parties").

RECITALS

A. The Association is the fee title owner of certain roads held for the benefit of members of the Association (the "Association Property") in that residential subdivision known as SANDPIPER UNIT ONE SUBDIVISION according to the plat recorded in Book 9 of Plats, Pages 57 and 58 in the Official Records of La Paz County, Arizona (the "Sandpiper Subdivision").

B. Tridun owns that certain residential subdivision described as LOTS 1 THROUGH 25, INCLUSIVE, TOSCANA, according to the plat of record in the office of the County Recorder of La Paz County, Arizona, recorded at Fee No. 2003-3655 (the "Toscana Subdivision" and with the Sandpiper Subdivision, collectively, the "Subdivisions"). The Toscana Subdivision is adjacent to the Sandpiper Subdivision.

C. Pursuant to a separate Settlement Agreement between the Parties of even date herewith, the Association has agreed to grant easements for the benefit of Tridun and subsequent owners of the Toscana Subdivision or of any lots or other portions thereof under the terms and conditions set forth herein.

AGREEMENTS

Now therefore, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Grant of Easement. The Association hereby establishes, grants and conveys to and for the benefit of Tridun and the subsequent owners of Toscana Subdivision and any Lots (hereafter defined) or other portions thereof, and their respective successors and assigns, a non-exclusive perpetual easement for ingress, egress and public utilities under, upon, over and across the roads in the Sandpiper Subdivision known as _____ and _____ as described on the attached Exhibit "A" and depicted on the attached Exhibit "B" (the "Easements").

2. Use of Easements. Tridun and its respective successors and assigns, tenants, employees, agents, customers, licensees and invitees, including any owners of lots in the Toscana Subdivision (each a "Lot"), may use the Easements for the purpose of the installation, repair and replacement of public utilities and for effecting vehicular and/or pedestrian ingress and egress to, from and between the Toscana Subdivision and any public roads, streets or highways abutting said property, including ingress and egress to and from Arizona Highway 95. Tridun's permitted use of the Easements will include ingress and egress necessary to enable Tridun or its successors or assigns to develop and complete construction in the Toscana Subdivision.

3. Cost Sharing for Repairs and Maintenance. As each residential unit (each, a "Unit") on a Lot in the Toscana Subdivision is completed, Tridun will pay a pro rata share (the "Tridun's Share") of the re-sealing or other required road maintenance or repair expenses (collectively, "Road Maintenance Expenses") thereafter incurred for the roads comprising the Easement, as such maintenance requirements become necessary, as reasonably determined by the Association. Tridun currently owns three (3) almost completed Units in the Toscana Subdivision (the "Completed Units") and will commence paying Tridun's Share attributable to the Completed Units for Road Maintenance Expenses incurred after the first (1st) day of July, 2013 (the "Commencement Date"). Tridun's Share will be based on Completed Units in the Toscana Subdivision, as they relate to the total combined Completed Units in the Subdivisions. For example, if there were 40 Completed Units in Sandpiper Subdivision and 3 Completed Units in the Toscana Subdivision as of the Commencement Date, then Tridun's Share of expenses after the Commencement Date and until another Unit was completed, would be 3/43rds. As each Unit is completed in the Toscana Subdivision, Tridun's Share will be adjusted accordingly based on the foregoing. The term "completed" as used in this Agreement as to a Unit shall mean at such time that all interior and exterior framing is completed and roofs have been installed on a Unit. Tridun's obligation to pay Tridun's Share of Road Maintenance Expenses shall apply to any Maintenance Expenses incurred on or after the Commencement Date. Any adjustments to Tridun's Share due to the completion of the Unit shall be effective on the first (1st) day of the first month after the subject Unit has been completed.

4. Entrance Gate. The Association intends to install a Gate at the entrance to the Subdivisions (the "Gate"). If the Gate is constructed, the following provisions shall apply.

a. If the Gate is constructed on or before December 31, 2014 (the "Completion Deadline"), upon such completion and as Tridun's contribution toward the construction costs, Tridun will pay the Association a fixed payment of Five Hundred Dollars (\$500) per Unit (the "Gate Contribution") for the three (3) Completed Units, plus a Gate Contribution for any Units that are completed prior to the Completion Deadline. If the Gate is not constructed within the Completion Deadline, Tridun shall have no obligation to pay any Gate Contribution or to otherwise share in any construction or installation costs of the Gate.

b. In addition to the Gate Contribution (if applicable), Tridun will pay Tridun's Share of any ordinary repair and maintenance expenses for the Gate ("Gate

Maintenance Expenses" and with the Road Maintenance Expenses, collectively, the "Maintenance Expenses") incurred after the Commencement Date and after completion of the Gate. Gate Maintenance Expenses will not include any costs incurred by the Association in the design, construction or installation of the Gate.

c. The Association will provide two free keys to access the Gate to Tridun and any Lot owner in Toscana who requests access. In return, Tridun and any such Toscana Lot owner will agree as a condition to being granted access to pay the normal replacement fee to the Association for lost keys charged to all users of the Gate in the event that they are lost. The current replacement fee charged by the Association is \$50.00 and subject to change.

5. Billing and Payment for Maintenance Expenses. The Association shall give Tridun written notice of any amounts due for Tridun's Share of Maintenance Expenses hereunder no later than thirty (30) days after completion of the subject maintenance or repair, which notice shall state the purpose therefor and the amount and calculation of Tridun's Share. Within ten (10) days after Tridun has made a written request to the Association, the Association will provide Tridun copies of invoices, bids, contracts or other documentation reasonably requested by Tridun to support the request for payment by the Association. Tridun will pay any amounts due for Tridun's Share within thirty (30) days after receipt of the applicable notice.

6. Damage to the Easements. If any user of the Easements causes damage to the Easements from abuse, accident or negligent acts, the party causing the damage shall be responsible for the reasonable and direct repair costs incurred as a result of such damage. The foregoing shall not apply to ordinary wear and tear to the Easements from normal vehicle traffic (including construction traffic). If a dispute arises between the Parties regarding the cause or extent of any damage to the Easements, the Parties will arbitrate such dispute in La Paz County, Arizona pursuant to procedures as agreed between the Parties and if the Parties cannot so agree within thirty (30) days after the existence of a dispute, pursuant to the rules of the American Arbitration Association.

7. Defaults and Remedies.

(a) In the event Tridun fails to make any payment in the amount and by the date required therefor and such default remains uncured for greater than ten (10) days after the Association has given Tridun written notice of default, then Tridun shall be deemed in default hereunder. Upon such default, the Association shall be entitled to exercise its available rights and remedies under this Agreement and applicable laws.

(b) In the event any Party breaches or fails to perform or observe any of the other terms, conditions, covenants or restrictions contained in this Agreement and fails to cure such breach or failure within thirty (30) days after receiving written notice thereof such failure or breach from the non-defaulting Party, then the non-defaulting Party shall be entitled to exercise its available rights and remedies under this Agreement and applicable laws.

8. Covenant to Run With the Land. The rights and obligations granted herein shall be deemed to run with the land and be binding upon and for the benefit of the Parties, the Association Property and the Toscana Subdivision, and each and every future owner or other party having or acquiring any right, title or interest in or to either of said properties or any Lot or other portion thereof and their respective successors, assigns and transferees. This Agreement shall become effective upon the Association Property and the Toscana Subdivision at such time as a fully executed and acknowledged original or counterpart original is filed with the Recorder of La Paz County, Arizona.

9. Governing Law and Venue. The interpretation and enforcement of this Agreement shall be governed by the laws of the State of Arizona. Any actions arising from or related to this Agreement shall be brought and maintained in a court of competent jurisdiction in La Paz County, Arizona.

10. Attorneys' Fees. If legal action is brought by any Party to enforce or interpret this Agreement, the court shall award the prevailing Party, in addition to whatever other relief is deemed appropriate, its reasonable costs and attorneys' fees incurred in connection with the action.

11. Representation by Counsel. The Parties acknowledge that the law firm of Bruno, Brooks & Goldberg, P.C., has acted as attorneys for Tridun and that the Association has been represented by the law firm of Ekmark & Ekmark, L.L.C. This Agreement and all related documentation has been negotiated among the Parties and, if there is any ambiguity, no presumption construing this Agreement against a Party shall be imposed because this Agreement was prepared by counsel for such Party.

12. Severability. If any provision of this Agreement is declared void and unenforceable, such provision shall be deemed severed from this Agreement, which shall otherwise remain in full force and effect. Further, if any such provisions may be reduced and/or narrowed in scope or the like, such provisions shall be reduced, narrowed and/or the like and so enforced.

13. Counterparts. This Agreement may be executed in any number of counterparts and by different Parties hereto on separate counterparts, each complete set of which, when so executed and delivered by all Parties, shall be original, but all such counterparts together shall constitute but one and the same instrument.

14. Binding Effect. This Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors, assigns, heirs, executors, personal representatives and administrators.

15. Interpretation and Modification. The paragraph headings used in this Agreement are for convenience only and shall not be used in the interpretation hereof. The term "including" as used in this Agreement shall mean "including, without limitation". Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any places herein in which the context requires such substitution or

substitutions. If any date for performance of any obligation hereunder falls on a weekend or recognized holiday in the State of Arizona, the time for performance shall be automatically extended to the next business day following such weekend date or legal holiday. All Exhibits to this Agreement are hereby incorporated herein by this reference. This Agreement represents the entire agreement between the parties regarding the subject matter hereof and supersedes all prior agreements, negotiations, representations, and understandings of the parties. No addition to or modification of this Agreement shall be binding unless executed in writing by all the Parties.

16. Notices. Unless otherwise provided herein, any notice, request, instruction or other documents provided hereunder by either Party to the other shall be in writing and shall be deemed given upon personal delivery or three (3) calendar days after being deposited in the United States certified mail, postage prepaid, return receipt requested, to the following addressed or to such other place and with such other copies, as either Party may designate by written notice to the other Party:

The Association: Sandpiper Homeowners Association, Inc.
PO Box 771
Parker, AZ 85344

With a copy to: Jessica J. Maceyko, Esq.
Ekmark & Ekmark, L.L.C.
6720 North Scottsdale Road, #261
Scottsdale, AZ 85253

Tridun: Tridun, LLC
9116 LAKEVIEW DRIVE
Parker, AZ 85344

With a copy to: Bruno, Brooks & Goldberg, P.C.
730 East Beale Street
Kingman, Arizona 86401

Any Party may change the address to which notice shall be delivered or mailed by notice duly given.

17. Waiver of Jury Trial. The Parties hereby irrevocably waive any and all rights they may have to demand that any action, proceeding or counterclaim arising out of or in any way related to this Agreement or any related documents be tried by jury.

Signatures on following page.

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement this ____ day of _____, 2013.

The Association:

SANDPIPER HOMEOWNERS ASSOCIATION, INC.

By: _____ (Signature)

_____ (Printed name)

Its: _____ (Title)

Tridun:

Tridun, LLC, an Arizona limited company

By: _____
Dane Dunn, Manager

By: _____
Morgan Dunn, Manager

STATE OF ARIZONA)
) ss.
COUNTY OF _____)

The foregoing Easement Agreement was acknowledged before me, the undersigned notary public, this ____ day of _____, 2013, by _____ as the _____ of SANDPIPER HOMEOWNERS ASSOCIATION, INC., an Arizona non-profit corporation, on behalf thereof.

My Commission Expires:

Notary Public

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing Easement Agreement was acknowledged before me, the undersigned notary public, this ____ day of _____, 2013, by Dane Dunn, as Manager of TRIDUN, LLC, an Arizona limited liability company, on behalf thereof.

My Commission Expires:

Notary Public

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing Easement Agreement was acknowledged before me, the undersigned notary public, this ____ day of _____, 2013, by Morgan Dunn, as Manager of TRIDUN, LLC, an Arizona limited liability company, on behalf thereof.

My Commission Expires:

Notary Public