

SANDPIPER RESORT OWNERS ASSOCIATION

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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.