

## SANDPIPER HISTORY VIA MINUTES

- 7/12/2003 No special assessments at this time. No money in the reserve account to have a budget for Capital Improvements. Reserve funds: \$13,346.27. The developer owns the roads. Ownership of the roads would eventually be conveyed to Toscana HOA after the build was completed. There is only one way for Toscana to enter their property – through Sandpiper. The current easement agreement provides for repaving of Sandpiper roads after the completion of Toscana. Developer in litigation with Buckskin SD over irrigation for Sandpiper. The pool fence needs repainting or repair and new gates around the pool. A general agreement that a front gate is necessary. The Board will get bids for roof repair. \$13,000 in the Reserve account.
- 1/10/2004 The HOA discovers they do not own the roads and common areas. The HOA discovers they do not own the roads and common areas. The developer (Corporation) said it had conveyed all rights and title of the common areas to the association and an easement on the roads for ingress and egress has been recorded at the County. The developer would pay to pave the roads initially, then the HOA would be subject to 50% maintenance costs. The developer was in litigation with Buckskin SD and if they prevail, the HOA would get a new irrigation system. Discussion about building a wall around the pool & a front gate. Cost would be \$15,000.00. Board is getting bids for tile and roof repair. \$18,000 in the Reserve account.
- 6/26/2004 The HOA paid off a loan to the developer for \$4,500.00. No reason given for the loan in the documents but it seems as though it is for the roofs. Money was borrowed from the reserve account to pay the insurance bill. The developer said there was a delay in filling in the potholes in the roads because they were moving to new offices and that it would happen after the move. The developer was still in litigation with Buckskin SD and had already spent \$45,000 of their own money to resolve the situation. The Bureau of Reclamation discovered that the HOA was illegally taking water from the Colorado River to water the landscaping. The HOA needs to find an alternative water supply within a year. Current irrigation system – the pond where the water from the river is taken takes 4 hours to fill. There is seepage and leakage and Toscana has been taking water. Valves are constantly clogged due to water debris and the pump is malfunctioning. A lock was placed on the pump to keep Toscana from using it. There is need for repairs to the exterior of the buildings including fixing roofs, balconies and stucco. 7 units need interior repair due to water damage leaks from the roof. A loan is not possible for needed repairs because the HOA does not show a profit and positive monthly cash flow. The vote for the gate passed, but the HOA needed to spend money on more urgent repairs. The insurance company requested that all owners have their chimneys cleaned. The HOA retained an attorney to review the legality of the HOA not owning the roads and the HOA illegally obtaining water from the Colorado River and the general

disrepair the developer left the HOA. Transfer fee was voted on to put 3 months worth of dues into the Reserve account at the close of any escrow. Dues increased to \$225.00 per month. A Capital Assessment of @,400 per unit was passed by a majority of the homeowners. Payment of an extra \$200.00 per month for 12 months or pay in full starting Sept. 1, 2004. \$12,000 in the Reserve account.

10/16/2004 Law firm believes the HOA has a strong case against the developer. The developer said rather than suing them, the HOA could sue the title companies that did the escrow work and the insurance company instead. The law firm felt that the case was worth over 1 million dollars and would take it on contingency, but the law firm also felt that they would be unable to collect from the developer. The attorneys have asked the HOA to put repairs on hold to roofs, balconies, stucco and the 7 interiors so that they could get their own estimates for repair work. The attorneys agreed that due to a liability issue, the HOA should replace the pool fencing. Pool fence cost is being taken out of the special assessment. The pool failed inspection again due to the fence and daily testing of pool water is now a county requirement. Estimate for balcony repair & replacement is \$250,000.00. Board is moving forward with painting the garage doors a light tan color. The association is paying a chimney cleaner from Kingman to clean chimneys. Pool keys for the new gate have been distributed. Replacements are \$50.00 ea. New pool rule: Children under 16 must be supervised by an adult. Sandpiper street address will be put on the tile monument at the entrance. \$22,000 in the Reserve account.

1/8/2005 The Bureau of Reclamation will be removing the HOA's illegal pumps within a year or so. At this time there is no alternative for watering landscaping at the HOA. The HOA is moving forward with litigation against the developer. The original bid for roof repairs and interiors with water damage was \$98,000.00. that company has backed out. Parker roofing quoted \$157,000.00, one more quote coming in from Mohave Roofing. The association has no money to repair the balconies. Current written estimate to paint the garage doors is \$7,000.00. Two verbal estimates lower, trying to get them in writing. Chimney sweeper in Kingman backed out, now a company from Phoenix is coming in to do the work for \$6,000.00. The chimney cleaning was requested by the insurance company and that #44 has had a chimney fire since the insurance company made the request. Pool fence is not complete and a section still needs to get painted. Capital Improvement fee of 3 months dues was not done properly, it required a CC&R change because the CC&R's only allow for a 2 month fee. Title companies will be refunding the extra month to new owners. Pipe in the pool area bathrooms is still broken. They can't find the leak, bathrooms will be closed until the pipe is repaired. New lights were put up in the pool and new lights were added at the gate for the pool and dumpster area. \$22,000 in the Reserve account.

4/2/2005 The developer is still looking into bids to repave the roads. The HOA has stopped watering the grass due to the eventual removal of the illegal pumps. The Board is currently looking into a desert landscape alternative. No word on the developer vs Buckskin & irrigation for Sandpiper at this time. HOA attorneys made an offer to the

developer and there was no response. A \$35,000.00 deposit was given to Desert Star Roofing to repair the roofs and replace roof tiles. The roofs that are leaking will be repaired and replaced first. A survey for damage went out to homeowners to prioritize repairs. The HOA still has no money for balcony repairs but is applying for a loan. If the loan is approved, they will do maintenance. Painting of garage doors is complete. Pool area bathroom repairs are complete. The pool water fountain needs to still be replaced. A sign was made to display the address and Sandpiper Resort name and will be placed on Riverside Drive.

9/24/2005 The special assessment was enough to cover the damaged roofs and the HOA had received a loan (\*\*no loan details were made available in the minutes) to repair the remaining roofs so that all the roofs would be replaced. The insurance company completed estimates for internal damage of the 7 units. The insurance company reported that the underlayment of the roofs had failed and needed to be replaced. The roofers were replacing damaged plywood putting on new vents and underlayment. Interior repairs would begin once the roofs are completed. Roads should be excavated and repaved within 30-60 days. No 18 wheelers should go through Sandpiper property to Toscana – there is a separate access road they are supposed to use. The bottom of the watering pond is compromised and leaking water. Not much available for watering the grass. The problem would not be fixed because the association does not own the pond or the land it is on. Woodside Painting has agreed to come out and give an estimate on repainting the balconies. It may inhibit more damage, but the association has been advised that they need to be replaced. Age for pool use was raised to 18 years of age or have an adult present after dusk. Mailboxes were replaced and relocated to between 48 & 54. The mailbox base was rusted and someone backed into it and it broke off its pedestal. The mailboxes were generally rusty from sprinkler water damage. Recommended new house numbers because Units were changing their numbers without permission and some people were using stickers.

1/28/2006 A loan balloon payment of \$85,000 is due in 5 years. Landscaping and maintenance are the most costly expenses. Roofs are 90% complete. 2 pallets of extra tiles are left over. Interior repairs will begin after the roofs are complete. Still working on getting bids for interior work. The developer still has not repaved the roads. Sandpiper does not own the roads, so they have to wait for the developer to do the work. Pond is still leaking and grass is dying. The pond is not on Sandpiper property so there is nothing we can do. The board has filed a lawsuit against former Board members: Paige Dourian, Barbara Dourian, and Brooke Dourian and have given the attorneys a \$35,000 retainer. The internet is to research Sandpiper owning the roads, and the common areas. Also, Sandpiper is currently required to supply Toscana with water. Still no money for the balconies. Discussion about letting the owners replace their own balconies under guidelines/rules from the Association. Screen doors are not allowed on front doors. The manager will look into new screen doors that will be uniform. Owners will have to pay for the new screens. There may be a missing master key to everyone's front door from when the units were sold.

Recommend everyone change their locks. Owners of end units may have structural problems due to poor construction. Unit #1's outside wall is not connected to its foundation due to ground settlement issues. The foundation has sunk and the wall has not, leaving a large gap between the two which has caused a hole in the floor. Looking into if insurance will cover the repair. \$17,000 in the Reserve account

- 4/22/2006 The manager is still working on getting bids for interior repairs. Screen doors range from \$500 to \$1000 depending on if the owners want security doors. Owners present voted against having security doors. A counter suit was filed by the Dourians (developer) against the current Board of Sandpiper. It was decided that the potential liability to the HOA the HOA must proceed with taking necessary measures to repair balconies. A special assessment vote will be sent out to homeowners. \$500.00 was spent to replace broken valves and timers on the watering system. \$12,000 in the Reserve account.
- 8/26/2006 Still no response from contractors to give bids on interior repair work. The president informed the homeowners that the manager broke her foot in one of the potholes. The developer said to submit the bills to her and they would take care of it. The developer subsequently sent the bills to Sandpipers insurance for payment. Sandpiper was forced to insure the roads according to the Agreement of Conveyance or Real Property and Grant of easement that was signed into effect in December of 2002 by the previous president and developer, Barbara Dourian. Homeowners were upset that they had to pay for insurance for roads that were not properly maintained by the developer. No news on settlement with Buckskin for water. The president informed the homeowners that there is a new law that allows HOA's to evict renters/tenants if they do not comply with CC&R's. A vote was taken to bill owners directly for any damage done by their tenants. Damage caused by tenants/renters includes but is not limited to towing fees, parking fines, pet fines damage fees, etc. \$13,000 in the Reserve account.
- 3/3/2007 The irrigation system is outdated and it is difficult to find parts to replace missing or broken pieces. Currently replacing broken pieces with updated materials as needed to keep costs down. Roads are still not paved. The HOA will buy some hot mix to repair holes on a temporary basis. A quote for \$200,000 was received to replace the roads. This has been added to the lawsuit. The HOA has decided to make the roads their third priority after fixing the units that have outside wall issues and the balconies. A temporary fix will be a priority until the full fix can be afforded after the lawsuit is settled. Many homeowners report their balconies are unsafe to walk on. The balconies need to be replaced by a licensed contractor. A local contractor is willing to give bids to each individual homeowner based on their specific damage. The HOA is going to attempt to get a loan to fix the balconies. Assessments for the balconies have failed and the HOA is considering having an attorney force the homeowners to fix their balcony and if not done, the HOA would fix it and put a lien the homeowners property. The HOA has had difficulty finding a contractor to fix the sinking units. They found one in Colorado who has studied the reports from a structural engineer and a soils engineer and has studied the original blueprints. This

firm has estimated repairs at \$18,000- \$25,000 each for guaranteed support and corrective squaring of the buildings. There are possibly 4 units that need repairs. This will be the HOA's highest priority. \$15,000 in the Reserve Account.

- 9/29/2007 Balance due to Chase/Bank One is \$106,360.33. The association has paid \$17,842.40 towards the Chase/Bank One loan. The prospective buyer for Toscana Villas & Estate backed out of the purchase agreement with the Dourians (developer) the bank will foreclose. Sandpiper lawsuit against the Dourians (developer) will not be resolved at this time, which the sale of Toscana would have resolved. Sandpiper is still fighting for ownership of the roads, and other property taken by the developer. Custom Building Support Systems (CBSS) the Colorado engineering firm reviewed units 1-14 and found elevation loss from 1" to ¼". The foundation of Unit #1 has settled approximately 3" and has separated from the frame wall. Over watering/water spray hitting the sides of buildings in the areas affected may be contributing to the problem. The watering cycles will be changed to dry out the areas. The repair which would add 6-8 piers would be around \$16 to \$18,000. They could install corner piers on additional units for \$1,600 each. There is an ongoing drainage problem between #14 and Toscana. Water is accumulating on Riverside Drive. Toscana should alert Sandpiper to any modifications. \$6,000 in the Reserve Account.
- 1/19/2008 The litigation against the developer and owners of Sandpiper was stopped by a bankruptcy agreement with Center Pointe – who ultimately backed out of the agreement. The attorney has suggested that the HOA petition the court to lift the stay and allow the HOA to proceed with litigation (there is a hearing set on this for March 14, 2008). The bank who owns Toscana property reported they would agree the new owner should settle with the HOA. Sale of the Toscana property includes \$700,000 in an escrow account which can be used to settle with Sandpiper HOA to fix the roads and needed repairs. The litigation attorney's Ekmark & Ekmark were hired on contingency and their time is billed at \$220.00/hr. The bankruptcy attorney's (Quarles & Brady) time is billed at \$390.00/hr. Recommend each owner have dryer vents cleaned. New spa heater installed. \$5,000 in the Reserve account.
- 4/19/2008 Current loan balance \$103,436.00. Pea gravel is being added to potholes until ownership of the roads is transferred to Sandpiper. The developer's bankruptcy case was dismissed. The Dourians are still part owner of the Toscana development. One part of the development, the Villas have been foreclosed on. The dismissal of the developer's bankruptcy allows the litigation by Sandpiper against the developer to be put back on the active court calendar. Homeowners can get their own contractor to inspect their balconies. If the contractor deems it safe, the homeowner needs to provide this statement to the HOA. Those who are having their balconies repaired should give the HOA copies of receipts so that the amounts can be added to the lawsuit for future reimbursement. All work should be completed within a year to avoid having a lien put on your unit by the HOA. The U.S. Army Corps of Engineers contacted the HOA about the illegal pump still located in the Colorado River. The HOA has been told to remove the pump or face fines of \$1500/day and

up. The HOA has asked for a 6 month reprieve. Buckskin is still in a lawsuit with the developer, plus there are AQEQ requirements for Buckskin and then eventually Sandpiper. This could take months. Quarles & Brady are demanding \$32,953.70 for their work on the bankruptcy case vs developer. All past special assessments have been voted down. It would cost each homeowner \$20,000 per unit to do all necessary repairs. \$10.00 monthly dues increase approved. The Board voted to make everyone responsible for their own balconies. Another mailing about the need for a special assessment is going out to homeowners. There is \$3,900.00 in the Reserve account.

7/19/2008 The current amount owed on the Chase/Bank One loan is \$101,719.80. A balloon payment of \$85,000 is due on 12/15/2010. An attempt will be made to refinance the loan at this time. The HOA is current on attorney fees Ekmark & Ekmark. We still owe \$25,453.70 to Quarles & Brady law firm. This amount will be negotiated with any new owner of Toscana as it concerns water rights and roads. On June 5, 2008 the manager met with the La Paz Community Development Director regarding the 4 issues with the Toscana development. 1) additional fills that have been pushed up against the retaining wall behind unit 37-42, 2) the incomplete retaining wall adjacent to #14 which has caused serious erosion, 3) runoff that is eroding the drive pavement behind units 70-73 and 4) exposed structural walls at Toscana. The manager will continue to follow up on these issues. A special assessment of \$1,200 per unit passed and will begin being collected 9/8/2008. Any repair on the balconies must be done by a licensed contractor and railings need to be brought to code. The new railing space limit is 4". The HOA is trying to obtain a permit for the river pump. The biological study has been submitted to the Army Corps of Engineers for approval. Since the assessment passed, painting will begin this month. The contractor will re-nail all loose boards, scrape loose paint, prime all bare wood, caulk cracks and finish coat with acrylic latex paint on all soffits and fascia for 38 units. Any wood that needs to be replaced will be billed as an extra cost. The total is \$13,300.00. The contractor will provide a separate bill for the pool & cabana. There is \$2,400.00 in the Reserve account.

10/18/2008 The HOA currently owes Ekmark & Ekmark \$5,000 and the balance owed to Quales & Brady is down to \$18,000. The litigation continues and is set for trial in November 2009. Toscana issues are being dealt with by LA Paz Community Development. Toscana was given until Sept 28 to comply. They have not complied, and the matter has now entered the violation phase. The hearing officer has issued citations to Point Center (Toscana) and the matter is set to go to a hearing on November 19<sup>th</sup>. Permits for balconies will cost between \$50 & 150.00 each. The County Engineer agrees on the 2 foot extension on some balconies. Trex decking and powder coated railings have been recommended by the architectural committee. If a group wants to hire Don Foster, he may be able to offer a quantity discount on materials. Some decks have been deemed safe and do not need repair. The river pump permit has been approved. The cost was \$5,500.00 which involved engineering costs and mosquito abatement needs to be ongoing. There were flooding issues from the

storm on August 25. The rear patio walls that are 12" should have holes drilled for drainage. There is \$897.00 in the Reserve account.

1/19/2009 The Chase/Bank One loan was renegotiated so that the HOA is paying interest only and \$100.00 per month towards principle to get through the time when few owners were paying their monthly dues. There is a mediation hearing set for the litigation against the developer set for May 5 & 6 in Phoenix. The matter is currently set for trial in November 2009. Center Pointe Financial (owners of Toscana) were cited by the Community Development for unsafe conditions at Toscana. They have corrected those issues, but not the drainage and erosion issues affecting Sandpiper. The manager will write a letter to Toscana regarding unsafe conditions at Sandpiper. La Paz Community Development brought in a civil engineer from Phoenix to evaluate drainage & erosion issues a year ago; so far nothing has been done to solve these issues. The pool & spa have been repaired.

7/18/2009 Bank loan current balance is \$99,123.01. Legal and Consultation fees:

Quarles & Brady- Paid \$39,921.90, Owed: \$8,953.70

Ekmark & Ekmark- Paid \$75,551.23, Owed: \$21,201.81

Gervasio & Assoc, Civil Engineers/Surveyors-Paid \$1,015.00

Sell & Assoc, Real Estate Appraisers-Paid \$10,500.00, Owed: \$4,000

JMI & Assoc, Exhibit Preparation- Paid \$1,000

The state of Arizona implemented new Pool & Spa drain cover standards. Neither the pool or the spa are compliant also we need an automatic pump shut off system.. This would cost between \$1,400 to \$2,600 to to install the necessary equipment. The HOA does not have the funds to bring us into compliance at this time. Homeowners concerned about special assessments. Reminded homeowners that when the HOA was turned over from the developer there were little to no reserves and Sandpiper owed the developer money for a loan the developer made to the HOA. Because the dues were so low the HOA did not have enough money to pay their regular bills. Still hoping the litigation will go Sandpipers way so that differed maintenance can be taken care of without further special assessments. Litigation negotiation status: the developer agreed to transfer the "grassy knoll" to the association roads in the community and tract B will be deeded to the association, irrigation still an issue. The association will receive a small monetary settlement from one insurance carrier that will pay outstanding bills and the developer has assigned their rights to pursue two other carriers for potential settlement contributions, again, these are negotiations. There is \$4,056.00 in the Reserve account.

7/18/2009 The amount owed on the Chase/Bank One loan is \$99,206.31. It was suggested that the association apply for the Obama debt relief program if we qualify. Negotiations

are still in process on the litigation against the developer. There is \$4056.00 in the Reserve account.

- 10/17/2009 No reseeding the lawns with winter rye due to water issues. The landscaping service has ben cut back. The pool & spa are reopened because both are in compliance with the Virginia Graeme Baker Pool & Safety act. The spa jet pumps are not active because they are not in compliance at this time. As soon as the association has the \$1,800.00 to put the anti-Entrapment Equipment ad Vac alert System on the 2 spa jet pumps, they will be operational. An amendment for the CC&R's was sent out, but only 15 ballots have been received at this time. Xeriscape landscaping was discussed, but there is no money for this option. Only 10 owners have complied so far with the balcony mandate. There is \$5,579.00 in the Reserve account.
- 1/16/2010 The litigation against the developer is settled. Sandpiper received ownership of their roads, plus 2 parcels of land, the "grassy knoll" and the storage garage area and the small parcel above it. The association also received 15,000 gallons of non-potable effluent water per day into perpetuity from Buckskin Sanitary District. The association also receive a \$60,000 cash settlement of which \$36,171.00 went to pay off most of the account with Ekmark & Ekmark. Now that the association owns the roads, 2 options for repair were presented. 1) a poly-chip process is a 8-10 year fix and is \$51,648.00, 2) is to pulverize the existing asphalt and pave which is a 10-25 year fix is \$79,966. The roads will require maintenance of seal coating every 4-5 years to extend the life of the roads. The longer lasting option was favored. The association does not have the funds to do the roads at this time and cannot get a commercial loan at this time. The 4<sup>th</sup> amendment to the CC&R's passed. The spa was resurfaced. There is \$30,641 in the Reserve Account.
- 10/16/2010 The effluent watering system for the landscaping is almost complete. The permit from ADEQ has been obtained, the pipe to the Buckskin Sanitary District is in and the final valve pump should be completed shortly. J & S Electric will run the wires from the panel to the new pump. An entrance gate was discussed again. Monthly dues will increase by \$11.00 on Jan 1, 2011.
- 1/15/2011 Buckskin Sanitary Roof collapsed due to rain run-off. They will repair the roof and rebuild a wall damaged by a large Ficus tree. Fencing will be added around their property for security reasons. Old equipment will be removed and replaced. They continue to work on the odor problem. Future plans for the plant are not known at this time. The effluent watering system is ready to go, Buckskin is waiting for the County to issue a permit so the project can be completed. Gate was mentioned again, but no money at this time. Exterior stucco a problem still but the HOA can only afford to continue patching. There is \$5,913 in the Reserve Account.
- 4/16/2011 Effluent system still not active. Waiting for tanks to be delivered. Looking into a quote for a surveillance system to stop unauthorized trash dumping. Entry lighting has been completed but there are bugs to work out due to daylight sensor not turning off. Complaints about the smell from Buckskin. Call 928-667-7197 to file a complaint. Reserve account money not included on the Balance Sheet.



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| 7/16/2011  | Effluent system still not running. Waiting on an electrician to complete the wiring.   |
| 10/15/2011 | Surveillance system is up and running and the manager is learning how to review tapes. The old loan for the streets comes due in September and Sandpiper has applied for a new loan to pay off the old loan that is for a fixed rate with no future balloon payment. The loan was approved by the membership. It was asked that the association have a website. The board did not want to create and maintain a website. There is \$327.00 in the Reserve Account.   |
| 1/21/2012  | Surveillance system in place, will be adding 1 more camera because of break-ins.   |
| 4/21/2012  | Additional camera has been added to the surveillance system. Signs have been ordered to post that the property is under video surveillance. 2 investors from Toscana spoke and said they were trying to make things better. They are addressing current problems and will work in cooperation with Sandpiper. The manager will look into solar to heat the spa due to propane costs. Roof tiles are slipping, the manager will call a roof company to make repairs.  |
| 7/21/2012  | Sandpiper told Toscana that they did not have a street easement via attorney. Roof tiles have been fixed. N bids for solar power for the spa. The landscaping is all manual. In order for the landscaping to be better it would need to be automated. Upgrades have been made to the pool & spa. is no money for this and would take a special assessment. Some balconies are still not in compliance. Those owners are being notified.  |
| 10/20/2012 | Toscana project is back in escrow with a new buyer. The president is working with the buyers and title company and attorneys to try to get a deal for the easement to use Sandpiper roads. The sewer plant caught fire and cut off effluent watering to the property. The water came back online on 10/18 and the grass was over seeded with winter rye that day. Front entrance gate was discussed again. An estimated \$300.00 per unit would be needed in a special assessment to pay for it. Pool needs a new intake system and some wiring needed to be fixed. The pool has been shut down for 2 weeks to address issues. There is \$-5043.00 in the Reserve Account. |
| 1/19/2013  | Toscana project fell out of escrow. Negotiations with the current owner are still on going. Costs of replacing streets and a gate are being reviewed for a possible cost sharing agreement. Cost of propane for the spa continues to rise. It now costs \$56.00 per unit per month to run the spa. Pool project is 2/3 complete. There are still 4 units that have not complied with inspections of their balconies and fining these owners will begin in February until compliance is completed. A homeowner created and is paying to maintain a website for the association with the Boards approval.  |
| 4/20/2013  | New owners of Toscana has offered Sandpiper \$13,000 plus \$500.00 per unit completed and agreed they would have no gates to their property with the agreement that Sandpiper would install an entry gate. Sandpiper asked for a repair clause for the streets due to heavy equipment damage – negotiations are stalled.   |

Upgrades have been made to the pool & spa. Gate lock is sticking. It was suggested that we get a new lock & keys, this is not possible due to no money in the budget. The no parking lines will be repainted this weekend. Fannie Mae came out with new requirements for buyers to obtain a conventional loan when buying into an HOA. The HOA has to put away 10% of the dues into a Reserve account. This is not possible for Sandpiper without raising the dues.

7/20/2013 There is a tentative agreement with Toscana for a street easement. Future road repairs will be divided by the 2 properties by number of units. There is a separate agreement that Sandpiper will install an entrance gate within 1 year. If this does not happen, Toscana will build their own gates. The \$13,000 is what the attorney has estimated to cover attorney fees if Toscana took us to court to force an easement. Our attorney and title company said that if they took us to court, we would lose and have to pay all attorney fees for both sides. There will need to be a vote by the membership to approve the easement which will require 2/3 of the homeowners to approve.

9/19/2013 Buckskin manager gave a presentation on repairing the plant. The construction has been slowed down by the construction company which currently does not have a manager. They are putting up interior walls and chlorine scrubbers. They think they will have extra money at the end of the project to consider landscaping around the plant. Toscana negotiations have settled and the easement has been recorded. Attorney fees were \$2,300 which came out of the \$13,000 Toscana gave us. Negotiations took out the requirement of \$500.00 per additional unit completed towards the cost of the gate. Sandpiper has until the end of 2014 to install an entrance gate. Construction costs for a gate similar to Miraleste Shores is approximately \$20,000. Street lights are not working. Cost to repair the ballast for the lights is \$2,500 to repair all lights is \$5,000. The association does not have the funds to repair or replace the lights. The watering system is 30+ years old and has a water pressure problem. Two 7500 gallon tanks were supposed to be installed, but the contractor only installed two 5,000 gallon tanks. We may need to install an additional 5000 gallon tank at a cost of \$4,800 plus installation to get the required amount of 15,000 gallons of water that Buckskin is supposed to supply us with per day. A note on the history of Sandpiper. The original Board president (and developer) paid herself \$1500 per month and deeded the roads and adjacent lots to her corporation. Sandpiper should have \$200,000.00 in reserves, which we do not. Considerable funds went to a lawsuit to restore the HOA's ownership of these items. Sandpiper would need to assess everyone \$8,000 each to generate the \$200,000.00 for our reserve account. The vacant lot is currently for sale and proceeds will go to Sandpiper. For those who want to paint their exterior trim on their condos, the trim color is Behr Arabian Sands 280E-2. The color of the garage and front doors is Behr Heirloom Lace 280E-1. There is currently \$20,668.00 in our Reserve account due to the \$13,000 addition from Toscana.

1/18/2014 Buckskin plant should be finished by February and then they will start with beautification. The current Realtor of the vacant lot believes it is over priced and the

zoning for it is R3. The Broker agreed to reduce their commission to 8% and the Board agreed to lower the price to \$159,000 with a bottom accepting price of \$145,000.00. Will keep with the current realtor until April, if it does not sell by then, the Board will look into another real estate company. The manager sent out a letter to the homeowners asking if they would be willing to do an assessment to add to the Reserve account and do some much needed improvements. The majority said no. There are still 4 balconies that have not been inspected, the owners have been notified again. There is \$4,389 in the Reserve Account.

- 4/19/2014 ADQE report on the Buckskin plant shows they are in compliance. ADQE is requiring Sandpiper to report annually. No one was aware of this, the manager will find out what is required so that Sandpiper can get into compliance. The manager will send a letter to Buckskin to find out what their beautification plans are. Trees by the pool area need to be trimmed back and the pool area should be painted. All other items have been tabled to build the Reserve account. The property for sale was moved to David Plunkett to see if they can get it sold. An auto chlorine dispenser has been added to the pool to help keep the water balanced in the summer. The pool company recommends auto levelers for the water. This was tabled due to money. The manager will meet with an asphalt company to see about repairing cracks in the street. The Board is sending information to the website and everyone should look there for updates. Only ½ the membership wants information by email at this time so the website will be the primary source of information for the community.
- 7/19/2014 ADQE annual report requires the HOA to submit an annual report every March prior to the permit renewal in April. This will be done in conjunction with Buckskin Sanitation in the future. The wall around the Buckskin plant was completed. They have no plans for beautification at this time. Our water tanks needed to be placed on sand to prevent overflow problems. There is a drainage problem at Toscana and the County is not responding. Bylaws will be updated, the cost will be \$1000. Trees behind Unit #47 are dying. There was never a watering system in place for these trees, they survived by water runoff or the homeowner watering them. The dead trees will be removed. The pool lock will be changed and new pool keys will be distributed. There is \$10,103 in the Reserve Account.
- 10/18/2014 The property for sale must have an easement for road and utilities. This must be approved by 2/3 of the membership so we will need to get this done to enter into any formal negotiations. The president will contact the attorney for a document that the membership can approve. Bylaws are complete and conform to current laws and practices. This needs to be approved by the membership so it will be sent to everyone via mail. Some of the street lights are fixed but J & S electric says there is a short somewhere. The leak on the water tanks has been fixed and winter rye has been put down. Watering should proceed as normal. There is \$12,957 in the Reserve Account.
- 1/17/2015 Buckskin notified Sandpiper that they received another grant and will install scrubbers which should help with the smell. The listing for the vacant lot expired

and it was taken off the market at this time. An easement would still need to be granted to this property for utilities. Bylaws were approved and signed. Copies were sent to homeowners. Watering system is still not working properly. We may need to add a third tank for coverage. Owners suggested more desert landscaping (rock) to solve the watering problem. Garage doors that were not in compliance have been painted. Exterior lights have been fixed except for the south side entryway due to a short in the power line. A quote of \$800.00 was given to fix this by running a new electrical line. Pool lights need to be fixed for insurance purposes and the jet pump for the spa needs to be fixed. The pool company will supply a quote for this work. Quotes were requested to put in a slab and retaining wall for the water tanks. A quote was accepted to paint the pool cabana, stucco in the pool area and just the rusted areas of wrought iron fencing around the pool. There is \$15,814 in the Reserve Account.

- 4/18/2015 The Board will send a letter to the state regarding the smell from the Buckskin facility which has not abated. All pool upgrades have been completed. A new concrete table and benches were purchased for the pool area. The water tank project should be completed by May. The original electrical was done with no plans so the contractor had to do some work arounds with hand digging. Painting and fixes to the Cabana have been completed. The bathroom doors will be painted a different color and the wrought iron still needs painting in rusted areas. Roof repairs were done to Units 47 & 50. The roofer discovered the original roof did not have the right size nails so tiles may continue to come loose and fall. There was an interior water leak in Unit 1 due to no flashing around the chimneys. All chimneys now have flashing.
- 7/18/2015 Bathroom doors and wrought iron in the pool area have been painted. The next project will be to paint the equipment room and storage room doors. People are breaking into the equipment room to turn on the spa. A new lock will be placed and possibly a lock on the propane tank. The water tank project is complete. One of the water tanks that had a leak was not repaired. This will be monitored and readdressed when the weather is cooler. The manager tried to find a new landscaping company but was unsuccessful. The manager was asked to get pricing on installing utilities to the property line of the vacant lot. Sewer would be up to the new owner depending on what is built on the property and their needs.
- 10/17/2015 Pool area equipment room and storage room doors have been painted. J & S electric is running a new power line for the uphill timer for the sprinklers as the old line was no longer usable. Streets are cracking and due for sealing next year. The propane tank will have a lock installed so that it cannot be turned on without a key. There are reports of people using the pool area that are not owners or renters. Colored pool tags will be made to identify owners & renters. The pool will be re-keyed with non duplicatable keys. There is \$25,237 in the Reserve Account.
- 1/16/2016 New power line was installed at the upper section of the property so the sprinklers should work properly now. Top of the wall in front of the pool area is being relandscaped. Cigarette butt container was purchased for the pool area. The best

bid for asphalt sealing was from Ace Asphalt for \$6,342. The work will be scheduled of April. The lock on the pool area will be changed effective 2/1/16. Contact the manager to get your key and pool pass. The Board approved transferring \$1000 to the Reserve account every month. There is \$28,089 in the Reserve Account.

- 4/16/2016 Lantana and rock have been placed along the bottom of the pool area wall. The pool company strongly requested that pool levelers be installed in the pool and spa because the water levels are dipping and if it gets too low it will burn out the pumps. The Board agreed to get this taken care of. There was an offer on the vacant lot and it was accepted by the Board. If all goes well, it will close escrow on 6/1/16. Details of the sale will be available after the close of escrow. There is \$27,593 in the Reserve Account.
- 7/16/2016 Stret sealing was completed on 4/18/2016. In front of units 43 to 46 there is alligating and this cannot be fixed by sealing. The company recommended placing a concrete culvert in this area for water drainage. A local concrete contractor would need to do this work. The lot sold for \$125,000 after escrow expenses and paying off 2 loans against the property, the association netted \$56,523.00. Toscana told Sandpiper that they are going to complete the front 4 units and try to sell them and finish the exteriors of the second row so the area looks better. They will use an old back entrance for heavy equipment moving to stay off of our roads. There is \$81,097 in the Reserve Account.
- 10/15/2016 Free tile was given to the HOA for an exterior shower in the pool area. The manager will find a local contractor to do the work. The vacant lot is being worked on to prepare to build. The owner has agreed to re-landscape the hill area at their expense to a design approved by the Board. There is \$84,107 in the Reserve Account.
- 1/21/2017 No designs submitted yet for outdoor pool shower tile. Will wait for a design. The spa ignitor had to be replaced. The tank floats for the effluent watering system had to be replaced because the sensor went out. Rock in front of Units 52 & 53 has been completed. An estimate for an entrance gate was received. The developer for the vacant lots expects to build 5-7 units with living spaces over garages. Toscana has now changed to River View Villas. They will have their own gated entrances but still have an easement through Sandpiper. They are planning to build walls to separate the properties & will fix the water drainage problem at Units 14 & 37. New pool keys and access cards are ready to be picked up or mailed. Contact the property manager to make arrangements. A request was made to lower the dues but because we still have major repairs that need to be done, the extra money needs to go into the Reserve account for these items. There is \$87,122 in the Reserve Account.
- 4/15/2017 A design for the outdoor pool shower was selected. The mailboxes were hit and knocked down. Shaffer welding fixed them and reinstalled in 1 day. \$15,000 will be moved from the operating account to the reserve account. Garage doors are looking old, the manager will see if we can get a reduced price if everyone replaces at the

same time. Grass will not grow next to Unit 1, it will be relandscaped with river rock. There is \$90,128 in the Reserve Account.

- 7/15/2017 Tile for the pool shower is complete. River Villas has started work on the retaining wall behind Unit 38. If you want to make any improvements to the front of your property, you must submit it to the Board. Upkeep will be at the owners expense. There is \$108,145 in the Reserve Account.
- 10/21/2017 Trees & shrubs have been cleaned up by a tree service. An initial plan for new landscaping has been submitted by a Landscape Architect. A new watering system will be needed for the project and a contractor will need to be hired. The pool fence was fixed. Still trying to find a contractor for additional approved tile work in the pool area. Cracked pipes in the pool area have been fixed. An estimate has been received for new security cameras for the property. This has been tabled.
- 1/20/2018 Road repairs have been completed and River Villas has submitted their portion of the cost to Sandpiper. Irrigation plans are being drawn up for new landscaping.
- 4/21/2018 Pool & spa lights will be replaced with LED lights which last longer. Landscaping plans have been approved and will be going out to contractor for bidding.
- 7/21/2018 The pool pump went out on 7/19/18 and was replaced the next day. Buckskin Sanitation broke an irrigation line and will pay for the repair. 12 contractors were emailed asking to bid on the project. Only 3 responded, it is believed only 2 will actually submit bids. The deadline for bids was extended to 8/15/18 with a projected start date of 10/1/2018. The depth numbers on the pool are faded and need to be replaced. The timer on the spa is broken. The pool company will take care of these issues. The automatic levelers are working in the pool. The Board has asked the maintenance man to pressure wash the pool area quarterly, a pressure washer has been purchased for this purpose. Sandpiper had a surprise inspection by ADEQ and we passed. Non potable water signs need to be replaced because they are faded.
- 10/20/2018 2 bids were received on the landscaping project. The contractor was invited to a special meeting so questions can be asked and then decisions can be made.
- 1/19/2019 After the special meeting with the contractor, it was decided that the original plans were not going to meet our needs as far as watering and maintenance and was too expensive. The contractor was asked to come up with a cheaper and more long term manageable plan. There is \$132,433 in the Reserve Account.
- 4/20/2019 Any complaints about sewer smell must be sent to Buckskin Sanitation. Revised landscaping plans were presented to the Board. The first stages have been started, but they ran into a problem with the irrigations so another contractor had to be called in to review those plans and advise the Board. The HOA is having problems finding financing for the last phase. The Board is open to suggestions. An awning needs to be built over the tanks to keep them from rotting in the sun. Quotes will be obtained for this project. There is \$155,935 in the Reserve Account.

- 7/20/2019 The first phases of the landscaping project are complete. The irrigation system delayed progress and cost the HOA much more than was previously quoted. The maintenance contract has been started so the rest of the property will be maintained until the next phases. The first part of the next phase is to determine the irrigation system so there will be a meeting with Buckskin, the contractor and the Board to determine the next steps. Non slip pads need to be put down on the sidewalk entrance to the pool. Do not make any changes to the exterior of your property without Board approval. Some owners would like to have more modern front doors. The Board will review this idea. There is \$120,976 in the Reserve Account.
- 10/19/2019 2 Units were out of compliance with the CC&R's. Those items have been addressed. 1 unit had a roof leak and it was repaired. The landscaping contractor presented a visual of the next phase of the landscaping. He will be submitting plans for final approval. He would like to start 1/1/19. The manager has not been able to find anyone to bid on installing an awning over the water tanks. Will continue looking for a company for this project. There is \$123,993 in the Reserve Account.
- 1/18/2020 The vacant lot was sold again and the new owner is asking for it to be rezoned for single family residence. The HOA prefers this option. A Brooke Utilities waterline broke and between River Villas and Sandpiper. Brooke still has not addressed this issue, the manager will send out a certified letter to Brooke to fix the problem. There has been a lot of dirt and rocks due to construction debris and the water pipe rupture. The manager will arrange to get the streets swept. This will cost \$500.00. Sandpiper will ask Brooke to reimburse the HOA for this expense. The landscaping company has removed the rest of the grass, cut down trees and worked on drainage. Next week they will remove the tree stumps, change some sloping for run off and finish the drainage. They will then get ready to plant and put down rock. A price was quoted for the awning over the water tanks. 4 styles of doors were submitted to the Board for review. The Board will advise the homeowners of their selections. The owner of Unit #9 reports the unit is moving due to poor drainage. The manager will contact an Engineering Contractor to come out and assess the problem. Light in front of the pool area need to be replaced, so the Board will get them purchased and installed. There are a couple of units that need exterior repair and the manager will get these items taken care of. There is \$105,015 in the Reserve Account.
- 7/18/2020 The water tank awning is completed. New lights in front of the pool area are installed and are working. Street sweeping is done quarterly and River Villas is contributing their share. 5 units needed exterior repairs and this has been completed. There are 2 more units that need repair work and the HOA is looking for a licensed contractor to complete that work. One unit was reviewed by an engineer as it has foundation problems, the Landscaping Contractor thought it could be remedied as part of phase 3 landscaping. A walkway handrail has been ordered for the walkway entrance to the pool. There was a discrepancy whether units could have more than one pet. Two pets were approved. Landscaping phase 2 is complete. Glass on current front doors can be replaced with Rain or Obscure glass.

You may, at owners expense, replace your front or garage door as long as it is close to the original design and painted the Heirloom Lace. Phase 3 landscaping, there is no information at this time the contractor is not finished with the plans. The pool was shut down by the Governor at this time (Covid).

|            |                                     |
|------------|-------------------------------------|
| 12/31/2020 | \$64,051 is in the Reserve Account. |
| 3/31/2021  | \$57,054 is in the Reserve Account. |
| 8/31/2021  | \$37,057 is in the Reserve Account  |
| 12/31/2021 | \$36,059 is in the Reserve Account. |

\*\*\*see following regarding loans

Roads- Chase Bank – A 2 year loan in the amount of \$99,020.73 that will be due and payable (balance of approximately \$85,324.72) on September 22, 2011. Payments of \$1,139.29 are due on the 22 nd of each month.

Roofs- Johnson Family Trust – a 10 year loan in the original amount of \$100,000. Payments of \$1,174.00 are due on the 5 th of each month.

Note from Beth:

I have received the final closing package for the sale of the lot. The net after escrow fees, commission and Chase loan pay-off was \$103,834.80. We still need to payoff the Johnson Family Trust loan and on the 1st of June the payoff is \$47,316.89, which will leave us with \$56,517.91.