

February 20, 2020

Dear Stone Cliff Homeowner,

Accompanying the letter is a proposal by the Traveller organization to add approximately five acres to the 35 acres annexed to Stone Cliff in 2014. Since this area will now be developed, Traveller LC and KT3 Development LLC are offering to quantify the vague promises made in 2014, when the 35 acres was first recommended to be annexed into Stone Cliff. The Traveller letter details the results of negotiations with the Board toward fulfilling their obligations from 2014.

Background

In 2014, the Developer requested that he be allowed to add 35 acres to Stone Cliff. In a vaguely worded notice, the developer promised common area amenities to be determined at a later date, when the area was platted and the common areas defined. There were additional verbal promises made which were also to be fulfilled when the new area was developed. These items included a pool, and pickleball courts.

In 2018, the HOA Board created the Development Committee to address the long-range facility needs of the fully built-out community including the annexed 35 acres from 2014. Based on homeowners' replies to questionnaires and input at meetings, a plan was formulated and approved by the Board. Homeowners had input during the entire planning process. One conclusion of the committee was that the items enumerated in the 2014 documents were not necessarily what the community needs now or in the future.

Proposal

Traveller/Stone Cliff LC and KT3 LLC would like to annex approximately five acres to complete their plan for future development at Stone Cliff.

The Board has been negotiating with the Traveller organizations over the past several weeks to obtain the best written agreement that includes specifics of their proposal to discharge their 2014 obligations in a way which most benefits all Stone Cliff owners.

The Travellers request the annexation of the additional five acres and time extensions of terms in the CC&Rs to allow them to continue to market their properties. In return, they are offering the specifics in the enclosed letter.

Conclusion

We strongly urge you to attend the Annual Meeting on March 7 at 10 am at The Hilton Garden Inn. A presentation of the Traveller offer will be given, followed by a presentation by the Development/Implementation Committee of the development plan for the future amenities for Stone Cliff. There will be time for discussion on both topics.

There will be a follow-up meeting for additional questions and email information will be available. The vote on the proposal will then be held at a Special Meeting of the homeowners.

Your HOA Board is strongly in favor of this proposal as it resolves the questions from 2014 and provides resources to help us move forward with our long-term plans.

We hope that you agree and that you will support the community with your vote.

Todd Clement by J.H.
Todd Clement, President

Larry Hampshire
Larry Hampshire, Vice President

LaDel Laub
LaDel Laub, Treasurer

Jay Davis
Jay Davis

Carolyn Jentzer
Carolyn Jentzer, Secretary

Brian Lowe
Brian Lowe

Recused
Kason Traveller

February 20, 2020

Dear Stone Cliff Owners Association Board Members:

We would like to propose to add additional land to the Stone Cliff property. The proposed additional land is indicated with hash marks on the enclosed map. We would estimate that this additional land would accommodate about five additional lots in Stone Cliff.¹

If this modest expansion is approved, we intend to help contribute to new amenities in the Stone Cliff property. We understand that the Association would prefer to receive contributions toward a community building. With that goal in mind, we are proposing to donate Lots 1621 and 1133 to the Association, which we estimate to be worth \$425,000 and \$160,000, respectively. The Association could use the proceeds from the sale of these lots to help pay for the community building or any other amenity.

We are also willing to provide other benefits to the Association as part of this continued development. First, we would construct a second gate facility with a design that is similar to the primary gate at Stone Cliff, including the initial gate arm that moves up and down, and a physical hard gate behind it. The associated gate building would be similar to the existing guardhouse at the Stone Cliff entrance, and it would have power and restroom facilities in the event that the Association intends to have staff at the gate. This construction would include only the structure itself; the Association would have the responsibility to purchase and install cameras, computers, and any other components necessary for security and the general use of the gate building.

Second, once we have sold all of our lots within the annexed properties, we will offer to convey the construction access to the Association, and the Association may, in its sole discretion, choose whether to accept or decline the conveyance at that time. While we are not willing to relocate the planned maintenance parcel to the annexation areas, we are certainly willing to participate in any future discussions with the City of St. George and the Association regarding a possible mutually acceptable realignment of the construction entrance that would accommodate a maintenance building closer to 1450 South.

Third, we will pay \$50,000 to the Association to help with the repair of the water fountain at the entrance to the Stone Cliff property. We would expect that this sum would be used by the Association to repair the fountain so that it operates in an efficient and aesthetically pleasing manner.

The lot donations and other benefits described above would be provided only if the required percentage of the Association's membership votes to amend the governing documents of the Association to add the additional land and to provide continued development rights to the Declarant. The continuation of those development rights would require an amendment to the CC&Rs. Generally, the CC&Rs would need to be amended as follows:

- Marketing and Construction. Revise Section 7.17 to extend the right to market and sell the Declarant's lots. Modify Section 7.11 to allow the Declarant to use temporary construction and sales trailers as needed.
- Architectural Review Committee Exemption. Modify Section 8.11 to exclude the Declarant from ARC fees and oversight, regardless of how a lot is titled during construction.

¹ The areas shown as "future" on the enclosed map include the 35 acres that were previously added by the Association as "additional land," which can already be developed as Stone Cliff property. At present, we intend to develop the area marked as "future" as a high-end luxury residential development.

Notwithstanding, the Declarant is willing to provide plans to the ARC and to consider any feedback from the ARC, which would be considered nonbinding.



- Property Expansion. Increase the time for the Declarant to add additional land under Section 11.3.

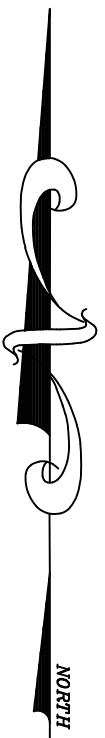
To be consistent with these development rights, the rules and regulations would also need to be amended to provide exemptions for the Declarant. *See* Rules and Regulations §§ III(A)(a); III(A)(c); III(D)(2); III(E)(2)(d); III(F)(1); III(H). Each of the Declarant's development rights would expire two years after the recording of the plat for the last phase of Stone Cliff.

We would propose to have these amendments introduced in the annual meeting that is set for March 7, 2020, with a final vote of the membership to take place on or around April 4, 2020. If the required number of votes are received to validly add the additional land and to amend the governing documents, we would proceed with the development and proposals summarized above. It is our preference to continue with the development as proposed above, but if the members choose not to allow the expansion of the property or the amendment to the governing documents, then we intend to develop all of the remaining expansion property as a new standalone development, independent from Stone Cliff.

We have enjoyed and appreciated the opportunity to work in Stone Cliff for the last two decades, and we look forward to a vote from the membership on this proposal.

Sincerely,


kolby traveller 
Kay H. Traveller
Kason B. Traveller
Kolby H. Traveller



SCALE 1" = 250'
SHEET