

Note: this word for word transcription was prepared by Gary Hall , an HOA member, golf club member, former recording secretary for the golf Club and one of the golf Club mortgage note holders, and was not requested by or authorized by either the HOA board of directors or the golf Club board of directors to prepare this transcript. Some words or small sections were inaudible, and I have indicated these as such. If there are any questions, please feel free to contact me ([hallgary@mac.com](mailto:hallgary@mac.com)).

## **Sunbird Town Hall Meeting**

### **March 22, 2022: 7:00pm**

**Steve Seel:** Is everybody ready to start? Good evening everyone. Welcome to tonight's town hall meeting. Tonight will be a discussion of the golf course request of the 8% dues increase that was received earlier this year at the HOA board. This is to talk about an increase to support the golf course by improving drainage, lakes and green areas. Please listen closely to the entire presentation before drawing conclusions because I know no one is really (inaudible). I'm going to ask everybody just to stop, look at your phone, put it on silent or vibrate. If a phone call does come in please take it quickly and step outside not to interrupt, and I'm also going to ask you to hold your side conversations to a minimum because people around you may not be able to hear what's going on here on the stage. I'd like to introduce the HOA board of directors. First off we have Lisa Onyx Vice President, Dirk Close, Jim Anderson, Dan Buescher, Linda DiPalma, Chuck Heitbrink and myself Steve Seel. Oh yeah, and Layne Varney, we put him in a corner. If you do have questions, I don't anticipate any questions but if you do have questions, please hold them and hold them until after the presentation. At the end of the presentation we will have a question and answer period, and it may pain me to say this but we will stay here until the last question is asked. I'm now going to now hand the mic over to Dave White, the president of the golf club.

**Dave White:** Thank you, Steve. I just want to thank everybody for coming out, this is very important to get this thing going and with that I'm going to introduce our board; our vice president Duane Dub, our recording secretary Jean Pritchard, our great

financial leader Julie, Director Ed Leonard, Director Sandy Crane, and I think that I got everybody, Wayne, Wayne Onyx, and as Steve said I'm the president, and with that I'd like to turn this over to Julie Anderson and Chuck Heitbrink, and thank you.

**Chuck Heitbrink:** Well good evening... this is your opportunity to respond.... when I say good evening. Okay and again, I just want to thank you for coming and again we're gonna have plenty of time for questions and answers at the end but just wanted to reintroduce Julie and myself, Julie is the treasurer of the golf board and I am the secretary of the HOA, and I am a non-golfer. So with that I'd like to get started with our presentation. You can follow along with the slides, and again, we'll have plenty of time to answer any questions at the end. On

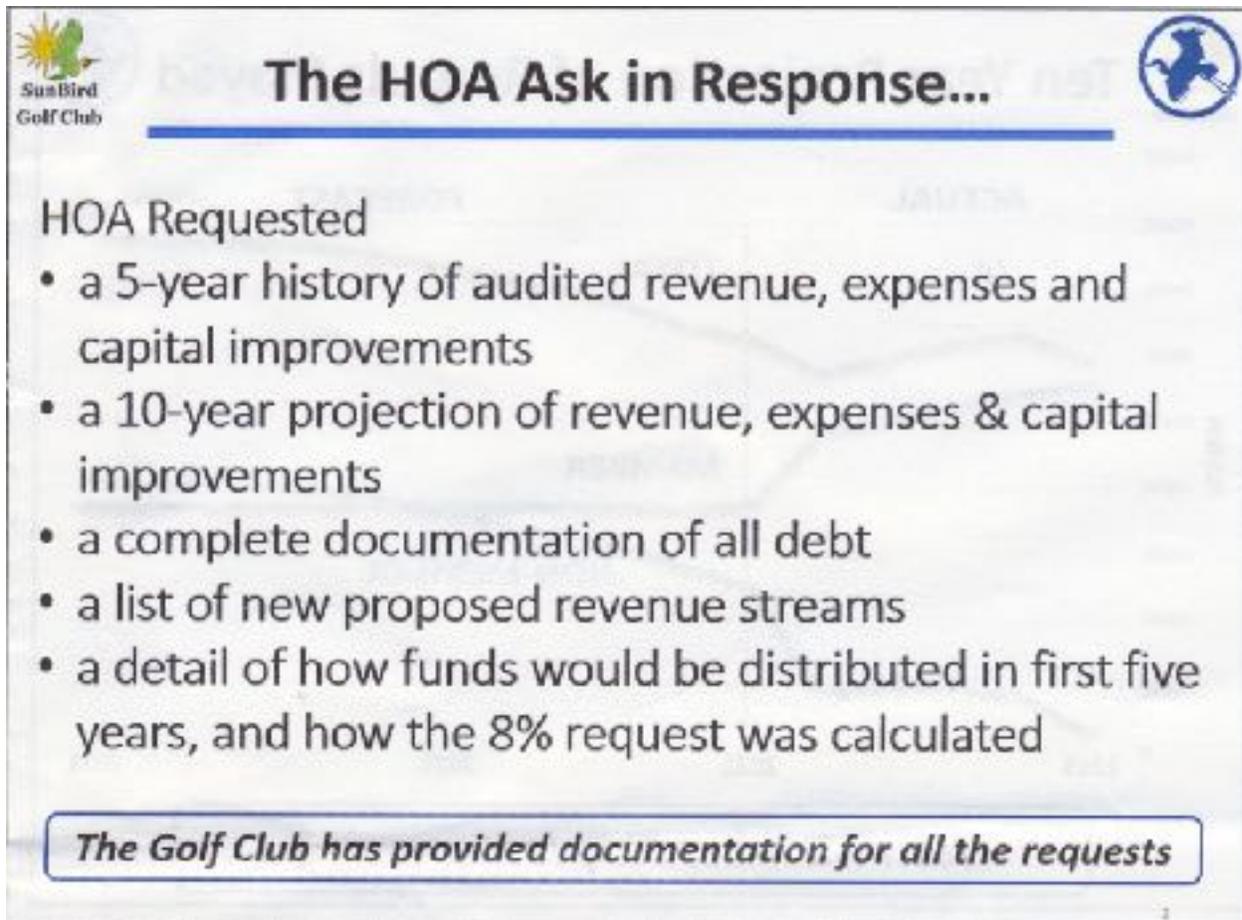
**The Golf Club Ask...**

Why are we here...

*On December 20<sup>th</sup>, 2021, the SunBird Golf Club provided the SunBird Golf Resort HOA with a letter, requesting that we entertain a CC&R change enacting an annual contribution of 8% of current HOA dues to the Golf Club in support of maintenance of the retention areas, which includes our lakes, drainage, and fountains as well as the preservation of green areas within SunBird.*

December 20th, Sunbird Golf Club provided the Sunbird Golf Resort HOA with a letter requesting that we entertain a CC&R

change enacting an annual contribution of 8% of the current HOA dues to the golf club in support of maintenance, of the retention areas, which includes our lakes, drainage and fountains as well as the preservation of the green areas within Sunbird. After we received that request, the HOA had a request back to the golf course. We requested a 5 year history of the audited



**The HOA Ask in Response...**

HOA Requested

- a 5-year history of audited revenue, expenses and capital improvements
- a 10-year projection of revenue, expenses & capital improvements
- a complete documentation of all debt
- a list of new proposed revenue streams
- a detail of how funds would be distributed in first five years, and how the 8% request was calculated

*The Golf Club has provided documentation for all the requests*

revenue, expenses and capital improvements; a 10 year projection of revenue, expenses and capital improvements; a complete documentation of all the debt; a list of the new proposed revenue streams; a detail of how funds would be distributed in the first 5 years; and how the 8% request was calculated. I'm happy to report that the golf club has provided all the documentation we requested, and to the best of our knowledge they provided accurate and complete information.

A new solution is being proposed tonight, and it will leave the homeowner dues untouched. I think that's important so I'm going to say it again, a new solution was proposed, and it will leave homeowner dues untouched. A Sunbird Water Management and Beautification Fund will be established to repair the drainage, to eliminate the standing water and return it to the aquifer, to preserve the water and to dredge and repair the lakes. The funding would also be used to maintain wall to wall green areas, but this does not include any funds for the tees, fairways and putting greens as these would be maintained by the golf course. This fund would have a rolling 10 year published plan for all the homeowners to see. And it clearly states when the various projects should be completed. The Sunbird Water Management and Beautification Fund would also be managed and controlled



## So How Does this Work?

We have calculated this will require a reserve of \$150,000 per year. To assure that our homeowner dues will remain unaffected, we are proposing that this cost be added to the current Capital Improvement funding that is paid by a new home buyer when a property is sold. Over the last three years SunBird has averaged 135 homes sold. To reach our required SWMB fund goal, we propose to increase the fund by \$1,125 per home sale.

***Leaves Homeowner Dues Untouched***

by the HOA in collaboration with the Sunbird Golf Board. Funds



## What's being Presented



A new solution was proposed, and it will leave homeowner dues untouched.

A SunBird Water Management and Beautification (SWMB) Fund would be established to repair the drainage to eliminate the standing water and return it to the aquifer to preserve the water, and to dredge and repair the lakes. The funding would also be used to maintain the wall-to-wall green areas and does not include any funds for the tees, fairways and putting greens (these would be maintained by the Golf Course).

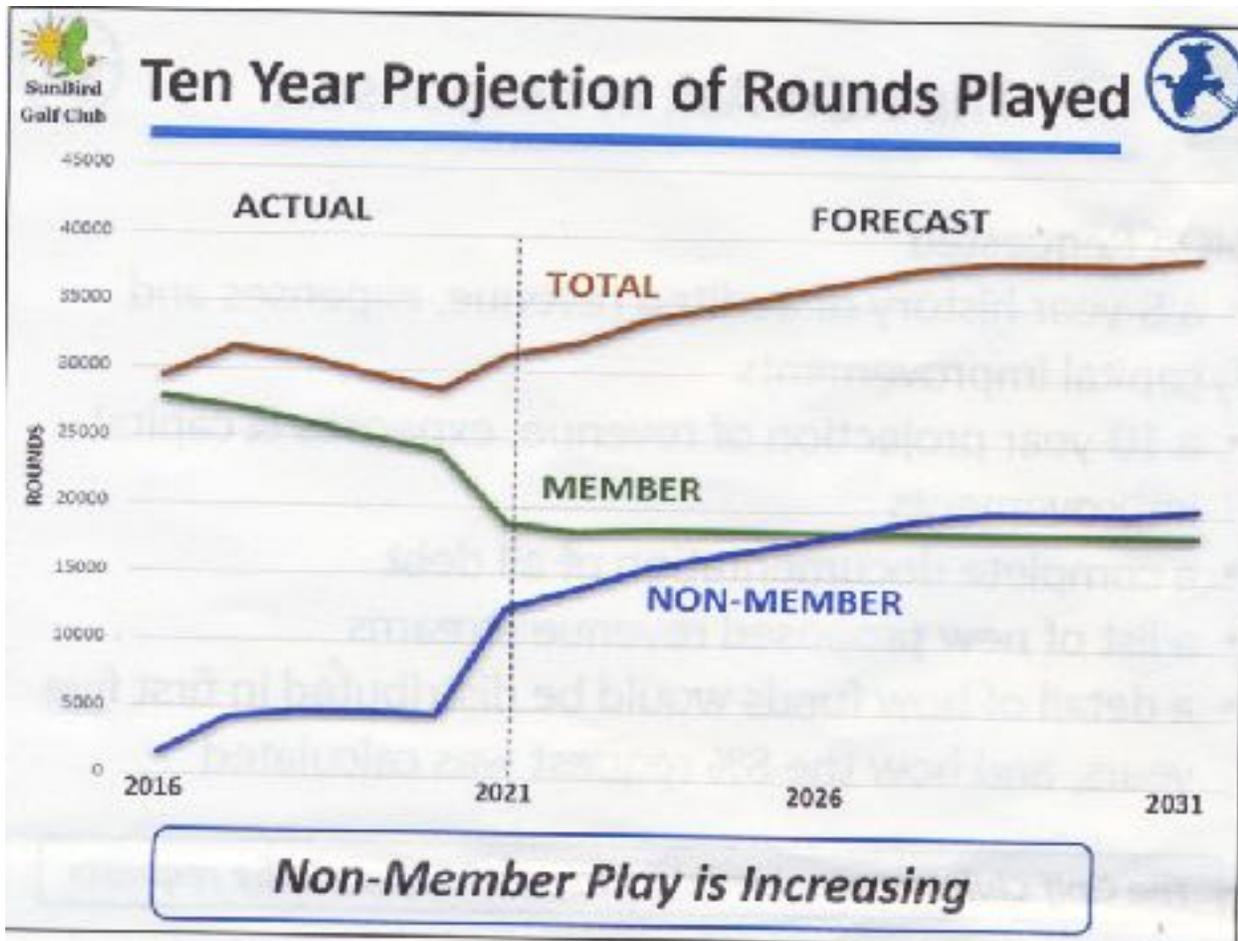
This fund will have a rolling ten-year published plan for all homeowners to see and it will clearly state when the various projects should be completed. The SWMB fund would be managed and controlled by the HOA in collaboration with SunBird Golf Board. Funds would only be used for the purposes stated above.

The HOA Board also stipulates that it should be a requirement of the proposal that, when the original noteholders are paid off, a golf manager or management company would be hired to manage the day-to-day operations. This should occur in 2026.

would only be used for the purpose that is stated above. The HOA board stipulates that it should be a requirement of the proposal that when the original note holders are paid off, a golf manager or management company would be hired to manage the day to day operations. This should occur in 2026. So, how is this gonna work? We have calculated that this would require a reserve of \$150,000 per year. To assure that our homeowner dues will remain unaffected we are proposing that this cost be added to the current capital improvement funding that is paid by a new home buyer when a property is sold. Over the last 3 years, Sunbird is averaging 135 homes sold. To reach our required funds for the Sunbird Water Management and Beautification Fund, we propose to increase the fund by \$1125 per each home sold. Now I know you're gonna have questions, but again, I just ask you to hold those to the end. This plan, this plan leaves the homeowner dues untouched, and we continue to maintain the grounds and the beautiful area that we are familiar with seeing coming into Sunbird and all around, and it maintains our property

values that we are all enjoying. Now, my pleasure to introduce Julie and she's gonna walk you through some of the information about the golf course. Julie?

**Julie Anderson:** Thank you, Chuck. And I too, would like to say thank you to all of you for coming out. It's really gratifying to see everyone here and I to want to say that we welcome your



questions so we're gonna go ahead and get started with this chart. So this chart has 3 separate lines on it. The top line is a total of rounds played per year. The 2nd line is green and that indicates member rounds played per year, and the blue line at the bottom represents non-member or outside play. So this entire chart is a 10 year projection of rounds played. And when we talk about golf courses we usually talk about rounds played. You talk about an airplane that takes off, you talk about seats sold. Once

that airplane takes off if you've got 20 empty seats you don't have an opportunity to resell backwards or to regain that revenue. The same is true of a golf course. We have the capability of selling so many rounds per day. If we don't sell those rounds we have no opportunity to regain that revenue. So in the golf course world, people talk about rounds played. So this chart is divided into two sections. One side shows the actual so we're going back to 2016, and the other part shows our forecast. At Sunbird Golf Club, our sweet spot is 40,000 total rounds played per year. And you can see from this graph that our members have, our member rounds played, have been decreasing over the last couple of years, and at the same time our non-member or our outside play has started to increase. We are forecasting that we are going to be able to continue the outside play, and we also feel that we're going to be able to maintain the rounds played by our members at what they are right now. So, when Chuck and I were first talking about this chart, he said, "why do you have such a big drop in your member play in the year 2020?" And the answer to that is if we all remember back two years ago, two years ago about right now, Covid hit, and the golf board in an attempt to be extra cautious decided to close the golf course because if you remember back to that time nobody knew for sure how this virus was spread. We didn't know if you could get it by grabbing on to a rake in the bunkers, we didn't know if you could get it from riding in a golf cart with somebody else, and we were very cognizant of the fact that we were a 55+ community. And we decided to err on the side of caution, and we closed the golf course. When we realized that it was probably safe to reopen we did so, but we followed the guidelines that the rest of Sunbird was following, and that was we did not allow any outside play. So the only way you could play during that time was if you were a resident or a member. We followed the guidelines that the pickle ball club, the tennis club, the volleyball, the water volleyball group was following and that was no outsiders were invited to come in to play the course. So for that reason our revenue went down and our rounds played

went down. We also have a lot of residents here from Canada, and our Canadian friends were called home. They had no choice, they had to go back to Canada. We also have a lot of people here from Oregon, Washington, Iowa, Ohio and they too made the decision to go home because again, think back, none of us knew what this virus was all about, and those of you who did not live here permanently or year round, chose to go back to your primary residence. So, that's the reason why our rounds played went down during that time. That's a question that we're asked quite frequently because I'm sure you heard that rounds played at other golf courses went up during Covid, but again, keep in mind our residents, primarily back at their primary home and our Canadians weren't here, and we also were trying to be mindful of the disease and we chose to close to outside play during that time. Now we would like to switch topics just a little bit and talk about, we go back, looking at prior to 2020, you can see that our rounds played were dropping, and as a golf board we knew that we needed to make some changes. The first thing we did we hired a new superintendent of our golf club. His name is Brendan Waddell and he is the person who oversees the day to day operations of the golf course itself. He is the one who decides when and how much to fertilize, when and how much to water, what kind of seed to purchase. He brings 25 years experience with him to growing grass in the desert, he's from the Phoenix area. He's grown up in the Arizona area, and he has worked his entire career on golf courses so he brought a wealth of experience with him. He didn't try to grow grass in a northern climate because clearly we are not a northern climate. But anyway, because of Brendan we have the beautiful golf course that you can see when you look out your window or when you drive through the front gate. We give him the credit for being able to provide us a beautiful golf course to play, and we have heard from several people that this is the prettiest that the course has looked since it opened. The second thing we did is we realized that we needed a professional and experienced person in our golf shop, someone who is experienced in customer service and

someone who is experienced in tee sheet management. This is where Chuck usually asks me....

**Chuck Heitbrink:** What's tee sheet management?

**Julie Anderson:** So, if you're like me and didn't grow up golfing, tee sheet management is another one of those words that's used to describe how the golf course is managed on a day to day basis, how you determine who is going to play golf and at what time. Prior to Laurie Kelech coming on, and Laurie was hired in August of 2020. Prior to her coming on we had a system called "shotgun golf". Shotgun golf allows everybody to play golf at the exact same time. So if you wanted to play golf on Wednesday, you had to play at 8:00. If you wanted to play at 9:00 or 10:00, that wasn't going to happen. Because we had shotgun golf, everybody started at 8:00. So you might start off on hole 1, your friends might be on hole 2, somebody else might be on hole 3, the whole golf course would be full, but everybody played at 8:00. Well you can imagine that doesn't allow for any outside golf because we have people that called and they didn't want to play at 8:00, they maybe wanted to play at 9:00 or 10:00. So Laurie helped us to realize that our tee sheet was not efficient, and it did not allow for outside golf, and it was a painful process for some of us. But she transitioned us to tee times. So we now have tee times and when people call in from the outside we're able to accommodate them and get them a tee time around the time that they might want. She also partnered with Golf Now, which is an outside booking engine to allow for outsiders or even for people who live in Sunbird to go online to see what tee times are available and to book online. She also pointed out to us that we needed to have more golf carts because when we have outside play people don't bring their own golf cart with them, and they want to use one when they get here. Well, we just didn't have enough. We had 18 and so, in January of this year, just about a month and a half ago, we received 10 new golf carts. This allows us to open up more play to outsiders. In the past we had people that called and wanted to play at 2 or 3:00. We had to say no

because our golf carts weren't charged up. We didn't have enough carts available for outside play. And now you're starting to see the golf course being a little bit busier, you're starting to see the 10 new golf carts out there, and that helped us a lot as well.

**Chuck Heitbrink:** Well, I've got a question. I see here in 2026 and we mentioned earlier that in 2026 we propose that the loan will be paid off on the golf course. Can you just tell us a little bit more about what is that loan and what's that all about?

**Julie Anderson:** Sure. So, the golf course opened in the early 1990's, and as you know the golf course was built along side the community and they were built to be an integral part of each other. They were built to be one unit. They were built to be one entity. However, for reasons that have been well documented, and we won't go in to all of that tonight, but for reasons that are very well documented, the golf course and the HOA are separate entities. So, at the time that this happened, there were a group of people here in Sunbird who chose to try to purchase the golf course, and they did. This was in 2003. They sold shares in the golf course, so for \$5000 you could buy a share. That provided the down payment but then they also had to take out a loan. They took out an \$800,000 loan for 30 years at 7% interest. So, in 2013 a group of residents realizing that that 7% interest was too high for that period of time in 2013, put their own money up, and they refinanced that loan. They refinanced the loan at 3.5% interest, so they cut the interest in half and they saved the golf course \$463,000 dollars over the life of that loan. So the final payment for that loan is due on April 1st of 2026, April 15th, sorry. We make an annual payment once a year, and so our last payment is due on April 15th of 2026 and that payment is \$62,000 per year.

**Chuck Heitbrink:** Now Julie, I understand a little bit more about how non-member play is increasing and how important that is for the success for the golf course. But there is a lot of questions floating around about what are the financial aspects of

the golf course, you know, some people say we don't have any money so just tell us just what's going on on a day to day financials.

**Julie Anderson:** Okay. On a day to day basis, the golf course is able to meet our expenses. Based on our sales of our tee times, and I want you to know that clearly the outside players pay more, they pay a premium, they pay almost double of what members and residents pay. We give residents a break because you live here in Sunbird. And then members of course receive discounted golf. But given our tee sheet management and given our outside play we are able meet our day to day expenses. We are able to pay our employees, we are able to purchase that sand and fertilizer and water. We are able to put aside a little bit of money to purchase equipment that is old. We have an incredibly generous community who has donated to our overseed fund year after year. We have a group of people who are incredibly generous and organize tournaments. Some of you might have noticed a tournament that we had last weekend, the Greenskeeper tournament. The golf course was packed. People paid \$45 per person to play golf that day. They bought mulligans, they bought raffle tickets, they donated a lot of money and that money is going to be used to replace a piece of aging equipment. So the combination of generous residents, outside golf and selling golf to our members and residents, we're able to pay our day to day costs.

**Chuck Heitbrink:** All right, so just so I can understand it because I'm not a golfer and I'm not an accountant either, but you've got money coming in to cover all your expenses going out and you're saving a little bit for, maybe we call it a rainy day fund, but we don't have those in Arizona. But, anyway, a special fund to replace some equipment as it breaks down. But the real problem is, it seems to me, what I see is what's coming up on this next chart. So, again, I'm going to ask you about a lot of dots and things on this map and I need some help with that.

**Julie Anderson:** Okay. But before I go any further, is anybody else warm? Layne, we're getting warm.

**Chuck Heitbrink:** You thought it was just us.



**Julie Anderson:** Thank you. I'm also seeing people out there waving. Okay, this next page shows a map of Sunbird community and you can see the green area is the golf course. I know that you all have a packet that you received when you came in, and that also has a copy of this map. You've got posters of this map throughout in here, and we're going to have them in the lobby so that you can take another look at this. But this shows how the golf course was built to be part of the HOA. Now I said that the golf course has enough money to pay for our day to day expenses. What we don't have is money to take care of drainage. And we have a big drainage problem right now. So, taking a look at this map, you can see some yellow lines, they are very small

but these yellow lines represent 27 spillways that are built in to our community throughout our community. Some of you might have thought that these are ways for golf carts to access the golf course but that is not the case. These are spillways that lead directly from your streets, and they go directly onto the golf course. The golf course is designed to be the receptacle of all the water runoff from storms, from rain, if you decide to go out and wash your car, if you decide to clean out your garage, heaven forbid if there is a catastrophe and the fire department comes in, all of that runoff and all of that water is designed to go through these spillways and go right on to the golf course.

**Chuck Heitbrink:** So even the water not necessarily going on those spillways but even water going down the cart, not the cart paths but the paths behind our house in certain areas, all that water runs toward the street which runs toward the spillway which runs towards the golf course.

**Julie Anderson:** Right.

**Chuck Heitbrink:** then...

**Julie Anderson:** And then the little red dots that are on your map show where our drains are. We have 36 drains or dry wells. These dry wells or drains are about 10 feet deep. and these are designed to drain off that water and return it to the aquifer. And in a perfect world this works really well. And it has worked really well since the golf course opened in the early 1990's. But, just like your bathtub if you didn't ever clean out the drain, eventually it's going to start to get clogged up. And just like your bathtub, if you don't clean that out at all, every time you add water to it, it's going to be slower and slower to drain and you'll get to the point eventually to where it doesn't drain at all. We've had some mornings that this is happening at our golf course, we've had times of the year when we've got standing water, we can tell that the drains are clogged.

**Chuck Heitbrink:** Well let's take a look at some of the examples and show us some of those and talk us through that.



Julie Anderson: Okay. First I'd like to just say though, that these drains should be cleaned out every 10 years.

**Chuck Heitbrink:** We're behind.

**Julie Anderson:** We're behind. Okay, let's look at the next picture because you are right Chuck, pictures speak a thousand words and I know you would rather look at pictures than hear me talk. Not you... Okay, so this first picture shows this spillway as you come in to our community, it's at the front gate, and as you're driving down Championship it is to the right. This is a spillway off of Augusta, and it shows water draining directly into the lake. You can also see some silt and some dirt in there. This picture was taken in February when we had kind of a light rain, so it wasn't much rain, but you can see that it is already backed up into the lake.

**Chuck Heitbrink:** Well, that's silt right there that we see in the spillway that's coming off the properties, and it's going right into our lake and that's causing another problem isn't it?

**Julie Anderson:** It is. Because our lakes were originally 6 to 8 feet deep and they should remain 6 to 8 feet deep, and because we've had all this silt and mud and sludge and junk over the years, our lakes have become shallower and shallower to the point that most of our lakes are about 1 to 2 feet deep.

**Chuck Heitbrink:** All right, now let's look at the next slide there just off of Pebble Beach because I think that's pretty interesting right there. It shows the water really backing up.

**Julie Anderson:** Right. It's really backing up onto that spillway or that street canal that you can see separating these two homes, and it's backed up so much that it's on the street. This picture was taken on December 26th, just a couple of months ago. When we had a day or two of heavy rain. So this is backing up into the streets, and if we don't clear out these drains you know it's just going to get worse, it's not going to get any better and it could be to the point to where the streets are impassable. It could be to the point that some of this water is going to seep into some of our homes, and we don't want that to happen. So we'd like to get these drains unclogged.

**Chuck Heitbrink:** Yeah, if I look at the next picture, you know, I recently moved from Coral Gable, and I'll assure everyone it was not because of the water, but I saw this for my own eyes this December where the water came up, and I just thought this was normal. But I didn't have any idea that the drains were necessary to take the water away. And not only did the water come up, but then it started to breed mosquitoes, and we had an unbelievable crop of them this year, at least around the area around down there on Coral Gable. And I can say that after the water receded, then there was all kinds of things out there where the water was and it began to smell and so it wasn't a pretty view then.

**Julie Anderson:** Right. It isn't. It also kills any grass that might be there, and a couple of weeks later you get a really fabulous crop of weeds.

**Chuck Heitbrink:** All right. And then on the next picture, we see, it's algae and muck, I guess is what we are talking about there.

**Julie Anderson:** So, this is the lake that's north of Doral, it's east of Sawgrass. This shows you that, as I mentioned earlier, the lakes are supposed to be 6 to 8 feet deep, and what happens when all this silt and dirt and sludge runs into the lakes is that they fill up from the bottom. So the water that's remaining is now very shallow, and it gets warm. And warm water, warm water is very conducive to the growth of algae. So, we haven't had as much algae this past winter because Brendan Waddell, our superintendent, who I mentioned earlier, has been researching some fish friendly algae killer, and that has been working pretty well, however, it's not solving the problem, and this picture was just taken last week. As the temperatures rise, as it starts to get warmer, that algae is going to grow again. If you are here in the summer, this lake is almost completely shallow, almost completely dry, excuse me, and the algae covers the entire lake which starves the fish of oxygen so they die and once again, it starts to smell.

**Chuck Heitbrink:** Starts to smell, well, you know I think we've kind of gone through some of the things that are causing all of this drainage and it's important to remember that this drainage is a community problem because the water is coming from each and every one of our homes. And it may not seem like there is much water coming but if you have gutters, the gutters are running into the street. If you don't have gutters the water is running off and it's seeping towards the golf course. So, we've come up with a 10 year plan and this plan is, if you look at the chart, is an estimate of the cost of all the items that we have to replace and work on. And this is a rolling 10 year plan. In other words, if the funds aren't available for a particular year, we will

only do what the funds are available for. And if we have to move the project back, we will. And I say it's a rolling plan because as Julie mentioned so many of these things are ongoing and it seems like by the time we get done with everything, it will be time to go back and start working on the drainage once again. So that we can maintain the drainage areas, maintain the water away



## SWMB Projects



Year	Project	Est. Cost
2023	Renovate 4 clogged drains, # 12	\$23,000
	Renovate Drain Channels @ Maintenance Building	\$35,000
2024	Renovate 4 clogged drains, # 16	\$24,000
	Dredge & Repair Lakes 11 & 12	\$150,000
2025	Renovate 4 clogged drains, # 1	\$25,200
2026	Renovate 4 clogged drains, # 2	\$25,900
	Dredge & Repair Lakes 16 & 18	\$200,000
2027	Renovate 4 clogged drains, # 4 & 5	\$26,500
2028	Renovate 4 clogged drains, # 7	\$27,200
	Dredge & Repair Lakes 8 & 9	\$300,000
2029	Renovate 4 clogged drains, # 10 & 15	\$27,800
2030	Renovate 4 clogged drains, # 3, 6 & 9	\$28,500
	Dredge & Repair Lake 13	\$125,000
2031	Renovate 4 clogged drains, # 8, 13 & 14	\$29,200
2032	Dredge & Repair 2 Lakes 7	\$300,000
		<b>\$1,347,300</b>
Notes: Dredge & Repair 2 Lakes 15 in 2034		
Above estimates and times will be adjusted after bids		

from the golf course and away, back in to the aquifer like it was originally designed to be. This is absolutely critical for us to maintain the beautification of our properties here and to maintain the property values that we all enjoy. I hope that you have learned something about drainage tonight. You know, because drainage is not only one group's problem, it's all of our problems. We all have water draining someplace, and it's going to a road, its going to a walk way behind your house or it's going down the

street and into the golf course. It should have the drains to be able to take care of it, but they're clogged. So, that's the presentation that we have. It's a plan that we can do all the things that are necessary without raising homeowner dues and maintaining everyone's property values at the same time.

**Julie Anderson:** I'd like to just add, Chuck, that we have identified the drains that are in the worst condition and those are the ones that we would unclog first. We would also work with the HOA in terms of progress schedules. This work would be completed in the summer when people aren't, when the golf course is used the least and when there are fewest people here. And I also wanted to mention, I forgot to say, that the lakes should be dredged every 15 years. They don't need to be dredged as frequently as the drains need to be unclogged. But you still have to go in there and scoop out all that muck.

**Chuck Heitbrink:** In addition to the items that are listed in our rolling 10 year plan, there are also funds set aside for the green areas. The green areas would be the practice...

**Julie Anderson:** ...driving range.

**Chuck Heitbrink:** Thank you. The driving range and also that green area that we see when we come in, and there's also some green area that's right up by the club house. So that would be covered every year with the wall to wall green areas, and then we would be working on these projects.

**Julie Anderson:** But again, it does not include any tees, fairways or greens. That is the responsibility of the golf course. This is strictly the area that you see when you come in to Sunbird and as you drive up Sunbird Boulevard. There is a little area that is outside the fairway section. I don't want anybody to think that it's going to cover the fairways, the greens or the tees.

**Chuck Heitbrink:** Right. That would be the golf course's responsibility. All right, well, we've given you a lot of information tonight, and again I just want to reiterate that the plan we are putting forward tonight is not, you know, set in stone, and if you have questions or comments at this time we'd like you to come

forward. There is a microphone here. State your name, and address and the question. And we'd just like you to, you're anxious already. We'd like you to come up this side, if possible. And then just come around and we'll proceed from there. Each person will have at least one time to talk. If we have more time we'll get a second question. Go ahead, sir.

## **QUESTIONS AND COMMENTS FROM THE AUDIENCE**

**Chuck Heitbrink:** Just a minute, can you either speak closer or (inaudible).

**Kevin Clair:** Just a couple questions, a couple observations. Kevin Clair, new homeowner, January. So the golf course consists of tees, greens, fairways and a percentage greater than that, those just comprise a small portion of a golf course. So when we talk about greening this, it doesn't include (inaudible) But the most important question I have in listening is, from the get go, from the very beginning, the things that you listed and talked about are certainly are very (inaudible) but who had ownership of those (inaudible)?

**Julie Anderson:** We didn't realize that there was a problem from the very beginning.

**Kevin Clair:** That's okay, but who had ownership?

**Chuck Heitbrink:** I think if you refer to some documents in our CC&Rs, it says, we, as the HOA, are responsible for drainage and that's in 6.3(A) of the CC&R documents.

**Kevin Clair:** So with that being said then typically we have in a community like this, There are plans put in place that address these very significant issues. Were those not put in place? Were they not followed? What was the challenge there?

**Chuck Heitbrink:** I think I will address it briefly. Those issues were not known at the time. We did not realize that the drainage was that much of a problem until just most recently, so...

**Kevin Clair:** So how many acres in this system, in this community, how many acres?

**Chuck Heitbrink:** This entire property? (Inaudible)

**Kevin Clair:** Don't know that, if you don't know the challenges that are resulting from areas of collection, then someone's not doing their job. Period.

**Chuck Heitbrink:** Well, we'll have to get back to you on the areas.

**Julie Anderson:** I think an important point is that we have identified the problem, and we know that there is a problem and we need to go forward.

**Kevin Clair:** Thank you.

**Cindy Wilson:** Good evening. My name is Cindy Wilson, my address is 6311 S. Sawgrass. I bought in Sunbird, let's see, December of 2020, December 2020. When I bought in Sunbird, I'm a realtor in Alaska and have been for over 30 years, when I bought in Sunbird the community says Sunbird Golf Resort. I thought I was buying into a community that owned their own golf resort. To me, the homeowners association is doing false advertising. They should be changing the name, that they don't want to support the golf course. It needs to be Sunbird Resort, period.

**Beth Lockwood:** 1821 E. Wingfoot. I've been an owner here since 1997. I was here when Robson sold it to the, or turned over ownership to the HOA, and also here when you could buy into the golf course. I chose not to, I seriously considered it at the time. The HOA was also offered the golf course and chose not to purchase it because we were in the HOA business. First of all to who I've been listening I'm just appalled at the presentation by our board members. Talking about maintaining our property values, I'm tired of the smoke and mirrors and the confusing use of "we". The homeowners within Sunbird are a community. The golf course is a private business. I have five takeaways. Before I get into the rest of it, I'm going to try to speak quickly. Legally the golf course must be operated and maintained as a golf course at least until 2035 per our CC&Rs. The golf course is a privately owned business and always has been and is totally separate from the HOA. The ownership of the golf course can change, but

the use of the golf course cannot. The current owners have options other than looking to us for money. Meaning us, meaning the HOA and the homeowners. Springfield Golf Course is very interested in purchasing the Sunbird golf course as the golf course meeting mentioned they see lots of potential and synergy in owning the two courses, and in casual conversation I had with the owners today, they said they were interested in meeting with the golf course, interested in meeting with the HOA and interested in coming to a meeting with the homeowners if that's what we would like to talk about how they think they could help us all have a nice golf course, and how it all works together. The HOA does not have to make any changes or provide any money for us to have a golf course. My last job was manager of the storm water program for the entire state of Minnesota. There is a difference between storm water retention areas and irrigation ponds. I'll get into that. Because I only have so much time I have a lot of legal questions about who is responsible for maintenance for some of these items that are on the handout. The golf course was given these open areas, a number of the common areas and most of the land within Sunbird walls because they were given that for water rights, and we were given uses and maintenance of the common areas. But they have the water rights, the golf course, and so those drainage and things that go into the golf course is their land. Springfield Golf Course has two ponds, has plans to dredge their ponds this summer. The Springfield roads do drain into the Springfield Golf course. There is a big difference between storm water retention areas and drainage and irrigation ponds. The purpose of storm water retention areas in a number of pictures we've seen are to hold back stormwater surges to protect infrastructure and promote water infiltration into the groundwater. The water is supposed to back up into these areas. That's what they are designed for. Now some of the drains might need clearing. Who owns these and are responsible for that? That's a legal question. It's not a 'we' question. Irrigation ponds, the purpose of irrigation ponds is to hold water for irrigating the golf course. During initial construction the soil excavated from

the ponds provides dirt for developing course topography. Storm water may eventually flow into irrigation ponds to then be used to water the course. This reduces the amount of water the course must purchase. So this is also a benefit. Ponds do not, stormwater areas do not hold water, that's against what they are trying to do, they are trying to have water, have areas there be empty, so ponds are for the golf course, not for the stormwater. If any HOA money goes, HOA money goes to drainage, it should be to the drains for proper drainage of the stormwater areas, the retention areas, not the irrigation ponds in my idea unless there is some legal description. I want to see the stormwater plan for this community. I want to see the site capacity and infrastructure part of that stormwater plan before any money or any changes are made to our HOA. We're giving money to a private business.

**Chuck Heitbrink:** I appreciate your comments.  
(inaudible)

**Chuck Heitbrink:** We're saying because of time constraints we'd like to just ask her to come back, just get back in line and then we'll... (Inaudible)

**Chuck Heitbrink:** All right, All right. Let's have a little bit of decorum here, all right.

**Chuck Heitbrink:** Yes, please continue

**Beth Lockwood:** Is my 3 minutes over?

**Chuck Heitbrink:** Yes. Please continue.

**Beth Lockwood:** I was going to move on a little bit to golf course business management is not financially sound. They have 3-4 million dollars in deferred maintenance expenses that will need to be incurred in the near future. Based on the irrigation system alone is 3 million dollars. Unlike the HOA, the golf course owners have not set aside money, over the years, in anticipation of these maintenance costs. The owners, the private owners of the golf course have never managed it as a business, as you can see, what they mentioned earlier, is like, people that are here pay half of what other people outside do. They have never assessed members or otherwise raised money necessary to maintain it.

Again, they've never set aside money for future capital expenditures that all businesses must incur. Golf as a sport in general is declining in participation all over the United States. Sunbird golf course membership is declining year after year. The private owners do have options without coming to us to bail them out, they can sell the golf course. Again the owners of Springfield are very interested and they have a lot of good ideas of how it would benefit all of us as homeowners and golfers. Or they can keep control if they wish. They can take out a line of credit, they can take out another mortgage and/or they can have private members or owners pay for their private golf course. They can do all three of those, they can do more. But they don't need to come to us for money. Again, finally I'm gonna say that at the HOA/Golf course community meeting on December 9th, 2021, (inaudible) the Sunbird golf course representative approached Springfield golf course back in the fall and asked about buying, if Springfield would be interested in buying Sunbird or they would be interested in managing Sunbird or they would be interested in working in conjunction. Springfield confirmed that these were the three things that were talked about. In addition they said they had a very good meeting with them. They were very, they thought they were very nice people that came and talked to them. Our response at the committee meeting by the golf course was that selling to Springfield that we don't want to do that because quote, we will lose control and they will treat it as a cash cow. My interpretation of that statement is that Springfield or any other new owner will treat it as a business indicating that the current owners may lose their preferred tee times and privileges that they have had for years. Thank you. Springfield manager was (inaudible) golf course they said, according to the committee, they want \$7000 per month and we can't afford that, and they wanted full control of decision making on how to make money. Finally, working with Sunbird they said they were interested in maybe having a hole in the wall between the two courses so they could go back and forth. We sent Layne over to talk to their HOA about that.

**Chuck Heitbrink:** Those are all really good questions, and I appreciate each and every one of the items that you brought up. And if you've been noticing, Lisa is writing everything down. We do not have answers for every one of those but we will get answers and they'll either be in the email blast that go out on Friday or we will put answers out on the HOA website. And, this is not the last time we're gonna get together on this, I can guarantee you that. Tonight is just information only. So thank you very much for your time.

**Beth Lockwood:** Okay, I am looking for answers to some things and some are statements and I would like to see some (inaudible) back and forth on water plans and the rest of it.

**Chuck Heitbrink:** That's fine, we've got all these down. Thank you very much.

**Marianna Buescher** 6301 S. Pebble Beach Drive, In the handout it indicates that the HOA requested a five year history of audited revenue, expenses and capital improvements and several other items. Many of us are interested in reviewing these documents and explicitly looking at income versus expenses over the last 10 years, and what was put into reserves. Will homeowners be able to look at these documents?

**Julie Anderson:** I might just say that our audited financial statements are available for any one to see. There are no secrets there. As far as our projections, we do have some proprietary information in there, a lot of strategy, a lot of information on salaries that we would prefer not to have out, but you're more than welcome to look at any of our audited financial statements, we've got them all going back 20 years.

**Marianna Buescher:** Do we contact you? Or the golf shop?

**Julie Anderson:** You can contact me.

**Marianna Buescher;** Okay, alright. Some other points I wanted to make which (inaudible). The golf course must be operated and maintained as a golf course until at least 2035. I hear whispers at town hall often that the land could be sold and made into condos or something else, and that is absolutely

inaccurate. The golf course owners are free at any time to sell the golf course to another entity who in turn must operate it as a golf course. Therefore, if they are financially unable to maintain the course, there is an option to sell it. A few golf courses in the valley who tried to change their land use but in each case it has been ruled that they must remain and be maintained as a golf course. In terms of property values, an increase in transfer fees has the potential to negatively affect your property values. We don't see our property values being in jeopardy until we put the for sale sign out. Which in our case, we don't plan to do that ever, but the transfer fee will raise the overall cost of your house so if you have a buyer comparing the cost of your house to another community, they may choose another community over your house because of this new increase of transfer fees. The buyer may also ask you to pay the transfer fees. We haven't found any other golf courses in our area that are green wall to wall. Some examples are Springfield, Lone Tree, Ironwood, Oakwood, Cottonwood, Trilogy, Bear Creek, Sun City West and they are not. Quintero is a top five golf course in Arizona and it is not green wall to wall. They do tees, fairways and holes. Not greening wall to wall often increases the pace of your play. Greening wall to wall in the desert according to consultants we talked to at the golf channel. Seed and water money, fuel, labor, depreciation of equipment, fertilizer, and due to the current water restrictions being placed on Pinal county farmers it seems to be environmentally irresponsible to several homeowners. So, those are my statements, and we'd love to see these documents whenever they can be published to the homeowners. Thanks.

**Bill Moore:** 1561 E. Hazeltine Way here in Sunbird, and I have a couple of questions, this is the question and answer period, right?

**Chuck Heitbrink:** Yes, if we can.

**Bill Moore:** Who actually owns the drains?

**Chuck Heitbrink:** The drains? I'm not sure if I can answer that question. But I...

**Bill Moore:** Okay so if you can't, who can? Here's part of my problem. You didn't anticipate that question? Are you kidding me?

**Julie Anderson:** Bill, hang on, the drains are on golf course property. I can answer that question.

**Bill Moore:** So the golf course owns it?

**Julie Anderson:** That's correct.

**Bill Moore:** Okay, thank you, Julie.

Alright, my next question is why are our greens fees about 1/3 of Lone Tree's. I just checked the green fees, and ours are 1/3 of Lone Trees. I know it's a longer course, I get that. But why is it 1/3? I don't think we are charging enough.

**Julie Anderson:** Okay.

**Bill Moore:** And you guys mentioned that you want to increase the new home fee by \$1125 . You just got an increase, and that was how much?

**Julie Anderson:** \$300.

**Bill Moore:** Okay so now you want to go from \$300 to \$1425.

**Julie Anderson:** No, these are two separate issues. They are. This is drainage, this is drainage. It has nothing to do with the \$300.

**Bill Moore:** It has everything to do with it. I have a wallet here, and what you want to do is you want to take \$1400 out of my wallet if I buy a place here. It has everything to do with money. It's our decision. You guys just keep coming back for more, here we go. Who owns the drains and why hasn't the golf course already done the drainage, like you mentioned, Julie, that they started out 6 to 8 feet and they are down to 1 to 2 feet? Why are they just now thinking "oh gosh, maybe we ought to go ahead and drain these things and clean them up."

**Julie Anderson:** We've been talking about it for about 7 to 8 years, I'll be honest, we don't have the money.

**Bill Moore:** So now you want to come to us as homeowners to get it done.

**Bill Moore:** We're looking at this as a community wide issue, that's the way we see it. If you see it differently, that is absolutely your right.

**Chuck Heitbrink:** We're also taking about what contributes to those lakes, what contributes to some of the water runoff, and that's property throughout the community.

**Bill Moore:** I won't even go there, I think that (inaudible).  
Okay, thank you.

**JD Plant:** Thank you for listening to me. My name is JD Plant, my property is 913? E. Buena Vista. I'd like to know who owns the golf course?

**Julie Anderson:** The golf course is owned by members who own shares in the golf course as well as the note holders. The note holders have a deed of trust.

**JD Plant:** The note holders, how many individuals are there?

**Julie Anderson:** Which one, the note or for the members?

**JD Plant:** Both.

**Julie Anderson:** We have 245 members, and there are 15 note holders. Now, they would only own the golf course if we defaulted on the loan. We have no intention of doing that. So you can't really say that the note holders are owners. It is really owned by the 245 members. Does that make sense?

**JD Plant:** (inaudible) they own the note. (Inaudible)

**Julie Anderson:** Correct. They own the note. If we default on the loan, which, again, we have no intention of doing so. We have not done, we've always been right on time.

**JD Plant:** So another question is, the 240 members plus that own the golf course, why aren't they paying for this? (Inaudible) ..... I just did a brief investigation of some of the owners, and I'm here to tell you they got a net asset value of approximately 8 million dollars. So what are you doing to us, as homeowners and lot owners (inaudible) golf course owners, are highly educated people, they're lawyers, they're realtors, they're investors. They are very sophisticated individuals, and they are very successful. I'm not saying anything bad about people being successful. But if

you're owners and have a net worth of millions of dollars, why are you coming to us for a \$5000 utility box for SRP when it has one member just sold property for 1.1 million and another member just sold another property for 1.9 million. Why are you coming to us for \$5,000 and asking the general manager to run around the golf course with an extension cord to plug in your pond in to a house?

**Chuck Heitbrink:** I'm going to say thank you for that, I cannot answer all those questions. We have recorded them and (inaudible) get back to you with the answers.

**Julie Anderson:** But again, we have identified this as a community issue.

**JD Plant:** It is not a community issue, Julie. Let me explain to you. We are two different entities. You're a for profit company, we are a not for profit company. (Inaudible).

**Julie Anderson:** I agree with you 100% on that, but again as we stated earlier, the golf course was built to be in conjunction with the HOA, and that is our problem.

**Gary Flitton:** My name is Gary Flitton I have a house over on 6320 S. Tournament, had a little villa before that. Have known friends here for 15 years. And for 15 years I've heard homeowners bellyaching about the golf course and all of the problems and all of these issues I'm hearing about today. But I guess I'm a little bit more of a big picture guy. What I see sitting here, and I know a few of you slightly, not very much, but I see two boards that I see working very hard to try and solve a problem in Sunbird. And all we see here is where we are trying to lay blame here and there and in the past. Forget the past, we've got to work with the present. But what I find appalling is whether it's the 8% or the \$1125 that is and I guess the sales of houses is what, on average, every 11 or 12 years, something like that. It works out to about the same amount of money, 80 some dollars a year, 85 dollars a year per home. So I sit here and hear people bellyache about this amount of money which works out to about 2 bits a day, so if you people are all so damn broke that you can't

stand 2 bits a day (inaudible) try to resolve a common problem and quit bellyaching about all the details. That's all I have to say.

**Scott Moore:** How do I follow that? Scott Moore 6199 S. Championship. Cheryl and I have been here since 2013. Mr. Flitton, I agree with things that you have said. How we got here is one thing. We can't do anything about it. How we go past this now, how do we get past this. So, that's what I think we out to work on because Sunbird is a terrific community. We talk about green, I think, somebody made some nice comments, about well to have everything green isn't you know, how is it environmentally. I got to tell you, Sunbird is looking terrific this year because it is green, so does it have to be all green, guess not, we'd use less water but think what it would look like. If you drive through Lone Tree and look at how brown it is when you drive through, so I don't know, I think it would look beautiful being all green. As you walk around, ride your bicycle around or drive around Sunbird, next year, do you want it to look brown, a combination brown and green or do you want it all green. I don't know what the right answer is. Think about that. Another part, is there's been people coming up here talking about we're gonna take money or the board wants to take money out of your wallet. If we're listening closely, that's not true. Not from the existing homeowners. Just keep that in mind. Nobody is taking money out of the existing homeowner's pockets. That's all I've got to say.

**Michael Moore:** 1831 E. Wingfoot (inaudible): My question is I believe this group has owned this golf course for what approximately 10 years. Have they ever turned a profit in 10 years? I don't mean pay your bills. I'm talking about ever having money left over at the end of the year.

**Julie Anderson:** Yes, we have. And we've actually owned the golf course since 2003 so it's more than just 10 years.

**Michael Moore:** When was the last time the ponds were dredged?

**Julie Anderson:** They have never been dredged.

**Michael Moore:** Okay, since 1990. Your figures, and I've done the work for 24 years of dredging ponds, you're light, very light on the cost. (Inaudible) chemically, and I don't see you getting them done for the prices you're talking about or estimating. The other thing I want to know is if this thing comes to a vote, who counts the ballots? (Inaudible) ..the last ballot was kind of questionable by a lot of people...

**Chuck Heitbrink:** All right, we are not prepared today to state exactly how it's going to be done. It will be done, counted by our election committee. All right? We will clearly state when the ballots will go out, when the ballots will be due back in, and they really are not ballots, they are consent forms when we're talking about doing something with the CC&Rs. So, but it will be clearly stated as soon as we come to some type of an agreement that we want to put in front of the community. We're not even there yet, so to even start talking about...

**Michael Moore:** one of the other rumor mills running around the neighborhood is the fact the golf owners or whatever want to change the CC rules to cut the number of ballots it takes in order to win.

**Chuck Heitbrink:** So that was, we, let me speak to that. That's all right. We as a board, as the HOA board discussed that, and decided with the opinion of our attorney that we could not make a change in our CC&R voting and the requirements necessary to pass anything. And that we decided at a board meeting probably 3 months ago, and at this point any change in the CCR would require 51% of the lot owners to approve it or 816 lot owners would have to approve it before it could be enacted. All right?

**Lisa Kittredge:** Hi, my name is Lisa Kittredge, I live at 6601 S. Cypress Point Drive, and in the middle of listening to someone I let my little cheat sheet here go away, so I'm gonna pull it up. I have to say I felt really kind of bad to have to come up here and I may as well just announce myself as a bellyacher because I want information. I don't think that was any reason for me (inaudible)

for anybody else and I realize it wasn't a personalized attack on anyone but because you want some information does not make you a (inaudible). I want to be really clear about that. I can be clear that is not the sentiment that goes into this. Because you know, I'm really am open, you know one way or the other as to whatever is going to happen, and I want information. And I need detailed information. I need information about, there are so many legal issues that are well beyond my (inaudible)... sounds also like there are management issues that people talk about, so again I think it is pretty reasonable to ask for some discussion of that. But the one thing, the little piece of logic that I have trouble with is assuming, and this is an assumption and you all know what that means, but assuming that the homes are in somehow contributing to the problem that has to be fixed. If the homes contribute to it, you are not saying the homes cause all of it so then why is it that the homeowners are being asked to pay for 100% of the amount of funding that you feel is necessary? That's all. Thank you.

**Chuck Heitbrink:** All right. Thank you.

**April Anne Love:** My name is April Anne Love and I live at 1811 E. Wing foot Drive. Until last summer vote on the CC&R section 6.3 prohibited any homeowner funds to be used for a private owned golf course. The CC&Rs were amended to create a \$300 capital improvement from each homeowner.

**Chuck Heitbrink:** No, that's not true, from each new homeowner. Home sale. Home sale.

**April Anne Love:** All right, new homeowner, thank you for the correction. Now you want 1125 additional dollars from each home so why do..

**Chuck Heitbrink:** No that's... what we were talking about this evening is increasing the capital improvement fund by 1125 dollars which is paid by new home sales, so it has nothing to do with your existing property at all. Did I answer that?

**April Anne Love:** No.

**Chuck Heitbrink:** Okay, let me try it again. I'm gonna start with this statement. What we talked about tonight has no increase to property dues or cost to existing homeowners. Okay? Is everybody okay with that? All right. The cost would be borne by the new homeowners that come into Sunbird, and it will be included in the capital improvement fund that we currently have. We currently have a capital improvement fund that is more than \$300, it's 2800 dollars and this would be added to that. Is that clear? Yes, the other thing is, I was just reminded down here, the fee is a one time fee that the new home owners pay. That's it.

**Gail Schroeder:** I live at 6730 S. Championship Drive. I just wanted to address that issue too. When my husband and I bought here in 2005, we paid 167,000 for our house. It is now worth 460,000 dollars so I don't think \$1200 is going to make a big difference to a buyer. They're not even going to considerate it. When a house goes up in Sunbird, it is gone immediately. There's no, there's gonna be no problem there. And, I hope that we don't sell to Springfield just because I am a golfer, I am an owner. We paid \$5000 for our ownership. But you have to realize Costco is owned by its own members. And do you ask one member of Costco to pay for a new door for the building because they have more money. No. It doesn't work that way. Thank you.

**Dana Smith;** Hi I'm Dana Smith, I live at 6122 S. Sawgrass Drive. I wanted to clarify the capital improvement fee on the transaction, listing transaction, that item is negotiable. It is not just paid by the buyer. So I just wanted to clarify that. It is something that is negotiated through the purchase of the home. Right now most of the buyers are paying that, but that is not necessarily true going forward so just to clarify, it's not just the buyers its on the actual purchase of the home and either side can pay for it, split it or (inaudible) so just for clarification.

**Chuck Heitbrink:** Thank you.

**Bruce Robinson:** 1713 E. Palm Beach. I've been here 1 year and a couple of days as an owner. Visited a number of times in

previous years. I play golf here. My concern is as a golf course we are selling time on the golf course, and you're not utilizing it correctly. I don't know if you have to assess anybody if you fully utilized the time. Effectively you shut down at 4 and start at 7. If you go to Springfield which is mentioned here a great deal, and they are good operators. If you look at their website they will take a tee time as late as 5:51. I don't know why anybody would but you could. Our last tee time available is 3:52 on our website. The golf shop, at 4:02 the golf shop is closed. There may be somebody there if you were to drive down there... no way to go out on the golf course unless you were to call in advance. My best estimate is that at least you can get another 12 times if you just went past four. I do go over to Springfield Monday morning every week because I can't get a time here. Back nine and breakfast, \$30 bucks. Seven of us go, \$210 dollars leave this property (inaudible) every year, so the golf course has been losing money. It makes no sense to me. Utilize all the time, (inaudible) as for now (inaudible). That's where I'm at, I know Julie... give us that information. The money is out there. People are willing to pay for it. You don't have the carts, I don't know how you are going to pull some of it off... (inaudible). Sounds reasonable. A week ago, five days ago, I tried to come up here at 4:00. We decided to go some place to hit balls, went over to Bear Creek, got on there at quarter of five, had to wait in line because there was no place to go, 29 people on the range hitting balls, want to talk about a cash cow? Springfield is almost the same thing. You got to open the store to business. If you don't have a store, you're not gonna get the money.

**Chuck Heitbrink:** All right. Thank you very much.

**Trent Johnson:** 1521 Buena Vista .Golf course member. I should keep my mouth shut but since somebody kind of insulted us members saying that we really don't pay enough for the golf course and should pay more, I have some questions about that. So as a member I paid for my membership. Am I an owner?  
Julie Anderson: You have a share in the golf course.

**Trent Johnson:** What is the current price to buy a share in the golf course?

**Julie Anderson:** \$1500

**Trent Johnson:** That same person that offended me implied that our golf course is probably worth about 8 million dollars, is that what I heard? Is that what he said?

**Chuck Heitbrink:** I believe so, yes.

**Trent Johnson:** \$1500 to buy, how many members do we have, 245?

**Julie Anderson:** 245.

**Trent Johnson:** 8 million dollars divided by 245

**Julie Anderson:** I want to say, right up front, our golf course is not worth 8 million dollars.

**Trent Johnson:** I was just going to say if he thinks it's worth so much and he doesn't think we do enough for it, let's say you bought for \$2500 to buy a membership with an 8 million dollar value, it would be sold for \$32,000. That would be a pretty darn good investment. Wouldn't it? Just don't say stuff that just doesn't make sense people. Okay. That's just ridiculous. Thank you all for doing what you are doing. (Inaudible).

**Lucy Tanner:** 6282 S. Cyprus Point Drive. I think there is a difference between a consent form and a ballot. And I think a lot of people are offended by that in that last ballot consent form in that they had to identify themselves and put their address on it. And I think, I know several people that did not vote specifically because of that, so and I asked Layne about it he said the lawyer said it was legal, but I don't see it that way. What the lawyer says and what we want to do are not the same. Also, when the votes were tallied for the directors which I appreciate you all volunteering (inaudible) But I understand that when the votes were counted we had a sheet with the streets, Oakmont, Augusta, whatever, and then across the top were the three individuals that were running so when the people opened their envelope they saw the address, and they put the checks on

those people so basically we're tracking the ballots. And I don't think that's what we want.

**Chuck Heitbrink:** I don't believe that's completely accurate. But I cannot verify it but I will verify it, not at this time but you will get an answer to that. Okay. I know somebody just said when are you going to get an answer. It's a complicated issue. There's several issues that we have to get out. I'm going to make a pledge to you today that we will attempt to answer all of these questions within four weeks, however there are several we can answer in probably the next week. Okay, so I think that's being a reasonable response rate to your questions. So, thank you.

**Walt Griffin:** My first question is can you clarify what the current capital improvement fund...

**Chuck Heitbrink:** Could we just have your name and address please?

**Walt Griffin:** the current.... oh, I'm Walt Griffin I live at 1941 E. Gleneagle drive.

**Chuck Heitbrink:** Thanks, Walt.

**Walt Griffin:** Been here since 1995, a few years. Is the current capital improvement fund that the new home sales person pay \$2800 which includes the \$300?

**Chuck Heitbrink:** That is correct.

**Walt Griffin:** So you're gonna look at 1125 dollars to bring it up to \$3925 dollars. Am I correct?

**Chuck Heitbrink:** That's correct.

**Walt Griffin:** I've had a problem with the HOA for quite some time over the fact that we have a lot of money in the bank, and that's because we've been taking in over a quarter million dollars every year from home sales, which is great. And we split that up into five different funds. The one problem I have in this, it depends upon how you interpret it, is here in the CC&Rs, in your section 6.3, Purpose of Assessments, it says that the association shall apply all funds and property received by and including the annual and special assessment, fees, loan proceeds, surplus funds and all funds and property received by it from any other

source for the common good and benefit of Sunbird and members of the association by devoting the funds and property to the expenses and administration and operation of the common areas, etc. It goes on and on and on. But what I'm getting at here is we are spending homeowner money. When we're tapping into the \$300, we're tapping in for now 1125 dollars, that is HOA money that may or may not be used for something else. We just had a \$60 a year increase in our dues which is the largest amount of increase we've had in all the years I've been here. Usually it's 20-30 dollars a year, and it went to \$60. Now we're gonna ask people to pay more money as they sell homes, and we're gonna tap those funds for the golf course. I have a problem with that. The other thing that I would like to bring up is I have copies here of the minutes of the HOA and Golf Club meetings, and one of the problems that I saw in there I spoke to at the annual meeting. That has to do with voting. You indicated you haven't decided how you're going to do it yet. But it really appalled me and bothered me that in the minutes here you already made an agreement or arrangement to send out a second ballot to all of those who do not respond which to me is totally irregular and improper. You send out a ballot, that person either sends it in or that's it. I realize what you're trying to do is get to that 816 ballots that just makes the vote legal but then within that 816 ballot has all the yes votes or you don't have an approval. And there is nothing in these minutes that gives me clarity as to how many ballots you actually received and how many were thrown out. It says 2% normally can't get counted in the events. There are, we don't know how many were no votes, we don't know what the total number of votes were. It just says that 943 yes votes were counted. The problem is they were counted after the closure of the first ballot which was February 15th. You didn't count them until April 1 or March 31st. You extended the arrival of ballots past the February 15th date. You sent out second ballots on the 19th. At that time I was a golf course owner. I have since given up my membership to the golf course as I could not afford the \$1800 that I would have to pay

for the pumps as well as the \$300 annual fee. The problem then becomes what's gonna happen to everyone else. And you, you sent out that second ballot, you said you were going to send a second ballot, or the HOA did. And I just don't think that that's proper. The other thing, and the reason I didn't send it back is because it asks you to sign that consent form and date the consent form. I have never in all my life and that's 83 years, I have not signed a ballot. I've signed the envelope that I've returned the ballot to the county, and I talked with our manager, Layne Varney about it, and he just, his answer just would be normal "That's what our lawyer said". I think that it was misunderstood or misinterpreted. I think the envelope like it does in Maricopa county should have the signature and date, and that ballot in there should be unknown as to who it is and who voted and in what manner. What I wanted to get at, too, is at the time that I was a member of the golf course, I got the second ballot. I had two ballots at home. One that you sent to me in December, and the one you sent to me on February 19th. When I got that first one, I said wait a minute, I'm not signing that. And then I get a second ballot, and that kind of blew me away the wind.... There's something wrong in River City. And I just, I have a real problem, I hope that you are not planning on sending a second ballot out just because people live somewhere else or their address is wrong, I realize we have Snowbirds, but that is not our problem, that's not our voting rules.

**Chuck Heitbrink:** I can appreciate your comments. I spoke to it earlier, I said that we would clearly delineate the dates and the times that the ballots/consent forms would need to be returned by. So thank you for those comments, and I understand what you are saying.

**Bill Ley:** 1522 E. Doral Drive. First I'd like to thank both boards for getting together and to try and fix this. It's a lot of work I was on the board for awhile and so many things come up, and so many different opinions. It's something really to look forward to you guys (inaudible) together. Thank you. When I

came in tonight, I understood that they were going to add 8% to our dues, it would be about \$90 a month.

**Chuck Heitbrink:** ..per year.

**Bill Ley:** (inaudible) Is that going to be something that's...

**Chuck Heitbrink:** Nothing has been decided we're passing out information

**Bill Ley:** (inaudible)...other ways to do it. My next question is, real quick, 2800 dollars that we've given, well (inaudible) We're going to add this on to that right, (inaudible) solution, we're going to add that on to that. With that money and other things, isn't this going to stop people from paying what is it \$4300 or something, the total bill.

**Chuck Heitbrink:** 3900

**Bill Ley:** With the extra \$400 it costs to transfer home ownership to a name (inaudible) \$4300 total, and people realize they are gonna pay this before they even buy their house. Somebody here also mentioned that it is negotiable. Now when you sell the house that could be part of their problem of who's gonna pay that fee. Is it the homeowner, is it the buyer, it's coming out of somebody's pocket. Now a lot of people can't afford to sell my house and pay another \$2500 loss on the amount of money that I'm going to get. Typically if it's negotiable, I'm wondering How do you decide who gets that? Thank you.

**Chuck Heitbrink:** Thank you.

**Dee Brown-Knoeppel:** By the way, I won't have to (inaudible) My name is Dee Brown-Knoeppel, and I live at 6853 S. Oakmont. I've been on the board for a number of years and been on the board with golf people, too. And I asked them then as I do now, why can't you do something to earn money to help yourselves get this done. You can use your property right out here, put a circus on it if you want to, or horseback riding or anything like that. Just something to make money for yourself. That's all I have.

**Chuck Heitbrink:** Thank you.

**Joe Valento:** My name is Joe Valento, I live at 1821 Winged Foot Drive. We've certainly heard from both sides of the street here tonight, and believe it or not there are a few of us on board with this as well. There are a lot of people here that can't afford any other (inaudible). I'm sorry to break the news to you but there are. We need to think about them too. They are part of our community so you can say, yep, we're not gonna....(inaudible) We'll just put the price out there on the next guy that comes along and he can pay it. Well, the new residents coming in to Sunbird, they frequently get asked, I think everyone gets asked, why did they choose Sunbird? And the most frequent answer is we have low HOA fees, we have a great community, and that's why I'm here. Well, you tack on another \$1400, that is going to affect some people. So, yeah, you can say we're not paying it but, but we may be asked to share that cost... Even the name itself is confusing, why are we called a golf resort when there's more non-golfers than golfers. So we need to think about everybody in this community. I get it, it's a golf course. It's not a part of our community but it is within our community, so we want to see it succeed. It's a private business, (inaudible) managed horribly, still owned by the same group, I assume it is still managed...(inaudible) So I don't see this as a good ending to the issue, and it's definitely splitting our community, and I think Springfield is interested in buying it. They've proven they've got a working (inaudible) over there. (inaudible) over there. The owners would like to talk to you, They are waiting to hear from you, and that is a working solution. And it's time to stop, and we won't have to have these meetings in the coming years.

**Beth Lockwood:** I promise this is short but you said I could come back. (Inaudible) I was trying to think about trying to get an article in the Sunbird newspaper and despite being here 25 years it was news to me that we don't own the Sunbird newspaper. It's owned and operated by Linda Robson, and Robson was the original contractor I assume they are related, I don't know that. But neither the Sunbird HOA or the homeowners have any say in

what can be put in the newspaper, so I.... (Inaudible) newspaper, it's not our newspaper. Robson (inaudible)

For example (inaudible) written by Sandy Crane (inaudible).. the golf course in March. And I was hoping to get an article in from the homeowners perspective, (inaudible) my perspective on some of the points that (inaudible) But according to newspaper representatives, homeowners can submit articles less than 500 words (inaudible) with information for anybody (inaudible) Second page in the newspaper (inaudible) Articles must be submitted by the 10th of each month or the Friday (inaudible) weekend (inaudible). Deadline is April 10th, it's an article (inaudible) go in in May. And I got a big (inaudible) when I talked to her (inaudible) if it would be accepted., I also had (inaudible) putting together answers to questions, I did have a few questions. What about the value of the water rights that the golf course has because you own most of the land within our borders. Can the current golf course owners sell the golf course and keep the water rights? Are the water rights an asset or must they remain with whoever owns the golf course? Also, I have questions about the golf course owners. Are any of our HOA board members, are they golf course owners or note holders? (Inaudible) Or are they related to any of the owners. (inaudible) How many of our 80 or so, I'm hearing it's 200, I was told that there are only actually 80 golf course owners that live in Sunbird. Now this number (inaudible) golf course owners actually live here in the community and are any of the owners or note holders part of or related to the Robson family that owns this newspaper? Thank you.

**Bruce Robinson:** Good evening, Bruce Robinson, 1713 Palm Beach. Good evening. I keep going back to the numbers. (Inaudible) You've done an amazing job in turning this thing around, and I know it was close to bankruptcy. Congratulations on that. (Inaudible) in one of the meetings January of this year we went out to (inaudible) rounds versus last year we increased to 756 rounds that average was 167 rounds per day January

(inaudible) Friends that I know in the business they look for close to 300, and I think this outfit next door sometimes does more than that. On an average daily basis. I've never seen any place run...(inaudible) Springfield. That if we could come close to that would yield 70, \$80,000 additional per month during the busy season. There is something wrong that we're not bringing in more of that business. I would lean to (inaudible). I think it's can you afford to do it can you afford not to do it. People are coming here sometimes because it is fully green, and they've got grass to play on, not sand and dirt. Some of us don't get involved... (inaudible).. It's out there, I think a better job can be done with it, I don't how much outside play you can get. You've only got so much parking. You've only got so many places to put your carts. You've got 1631 homes here, Springfield is doing it with 721. Now LoneTree only has 1100 something like that. You have a resource here, and when someone buying in a golf resort are not golfers, I have to bite my lip. My response might not be very good. Think about it, there's stuff out there. Don't believe you are utilizing your facility. And I go to Springfield on Monday morning we tee off a quarter after seven I have to make sure the guys are moving fast because there are some ladies going off at 6:20 or 6:30, and they'll be up our backs, They are going out on one, and we better be moving.

**Chuck Heitbrink:** Thank you.

**Scott Moore:** 6199 Championship. When I was up here earlier I had one other thing I wanted to mention. We talked about, well, they should be charging us more to golf here. I wanted to mention that as a golf owner I have a share of golf, right, which I wasn't as fortunate as another gentleman up here. I paid \$2500, and my wife paid \$2500 just three years ago. So we have \$5000 invested. So, whatever we pay to golf plus we pay an annual plus we pay to help the golf course when it starts getting in trouble, we paid an assessment, an initial assessment, a very first one of about \$300, then about 1000 or 1200 per person. So, so much for the cheap golf. Us people that are members such as

we, we are digging into our pockets that aren't that deep either. We do what we can do, just average Joe people.

**Chuck Heitbrink:** Thank you.

**Wayne Kozak:** 6861 S. Oakmont Drive. I live next to Dee, so there's a lot that things (inaudible)... heard of. She's on a fixed income and yeah, this is going to affect a lot of senior citizens in this community to try and pay these different fees. So that's one thing. I have one question, I have a whole list of questions here, they've all been asked, and that's why I am here to get all of the facts so that I can make a sound decision. There is 3 years left on the loan, right?

**Julie Anderson:** It will be paid off in 2026.

**Wayne Kozak:** Okay, now how much money does the golf course have? Are they going to make it to that time?

**Julie Anderson:** Absolutely.

**Wayne Kozak:** Absolutely?

**Julie Anderson:** Absolutely.

**Wayne Kozak:** My question was what happens if the golf course defaults, and who owns the property, which is the rest of the shareholders or pardon me, the note holders, the 15 of them, I thought there was only 5?

**Julie Anderson:** There are 15.

**Wayne Kozak:** Who is going to be responsible for maintaining the golf course if it does fold?

**Julie Anderson:** If we were to default on that loan, the deed of trust goes to the note holders. I can assure you that we are not going to default on that loan.

**Wayne Kozak:** Worst case scenario.

**Julie Anderson:** Okay, worst case scenario. It would go to the note holders.

**Wayne Kozak:** Now, are they responsible for maintaining this golf course and as it is the way it is now? Or is it going to be the way like Ahwatukee, and we have to go through a shit fight, pardon my language, with lawyers and everything else and spend a heck of lot of money.

**Julie Anderson:** It would not be a pretty picture.

**Wayne Kozak:** There you go. Thank you very much. I got my answer.

**Joe Valento:** still at 1821 Winged Foot Drive. And I just want to address a comment that I heard a little bit earlier, I've heard let's call it Sunbird Golf Resort so everybody comes here for golf. I think that's an assumption a lot of people make, but everybody down on the block on E. Winged Foot Drive, over the past year, six years, I've been keeping track of who is a golfer and who is not. People come in (inaudible) There have been 12 new homeowners in the past six years and zero of them are golfers (inaudible) that includes (inaudible) I just want you to know, so it's not a really scientific sampling but it is a sampling of one block (inaudible) the middle of (inaudible) and maybe some others that's some information that could go along with that. But clearly I'm seeing the reason they are coming is the low HOA fees and (inaudible). Thank you.

**Gail Schroeder:** Hi. Gail Schroeder again on Championship Drive. I just want to invite people who are not members of this golf course to join us in golfing. It is so much fun. When I moved here I didn't golf, never even thought about golfing and once I started It's just amazing, you get out everyday in the beautiful greens and yes, the ducks and everything. And so I just invite everybody to join And then we'll make a lot more money too.

**Gary Popelka:** 1548 Indian Wells Drive. I'm a member of the golf course. I'm also a homeowner. So you know, I'm sensing a lot of, a lot of good comments made, there are a lot of comments that are us versus them type of a thing, it's a golf course issue. Drainage thing is a community issue. There is not one house, not one property within the walls of Sunbird that does not contribute to the drainage issue. And it's all draining to the golf course. I want to see these drains, I want to see these cleaned up. Because it doesn't take much of a rain, and if you start looking at these spillways, and if you haven't looked at these spillways after a rain, please do that because they are backing up closer and

closer to the streets every... and it doesn't take much of a rain to do that. It's an issue for all of us. I don't live on the golf course. I do play a lot of golf. And I notice that probably, I'm gonna say, I'm gonna say 99.9% of the homes that are fronting or backing onto the golf course have patios that come right up to the property line, it comes off the roof onto the golf course which creates erosion issues which had to be addressed a couple of years ago, it creates weed issues which have to be addressed on a continuing basis. But there is not one property in here that does not contribute to the drainage issue, and I think that's something that all of us need to be concerned about, because if it's not addressed it's going to get worse, it's going to back up into the streets and who knows what's going to happen then, now, into the properties, into our homes. I don't know. So, I just want to applaud the boards for getting together and trying to rip this thing out.

**Kevin Clair:** So this is Kevin again. I just want to let you know that I think there are solutions here, and a little background about myself. I published a golf magazine for three years, and you know how big of a market Chicago is for golf. I played competitively in the highest level, US Open, Senior Open, things of that nature. I know a little bit about golf. And what I hear here is a lack of maybe just identifying accountability. When I first came up I asked in the very beginning who was accountable for the situation that we are presently in. Certainly the resolve of having new home owners pay an initial 1100 dollars blah blah blah is a solution, but is it a bandaid solution or is it a permanent solution? From being a golf "expert" in a way, no brag, just kind of fact, I guess, there are some things in this community from the golf course standpoint, I haven't played it, I've been here for 3 months, that really are a little dismal from a maintenance standpoint. The bunkers are terribly maintained, certainly the greens and fairways are fine. You don't need green throughout the golf course. There are plenty of outstanding facilities, and I've played many top championship golf courses around the world,

and you don't need to have some of the things we are talking about which is an added expense that really, bottom line, accountability from the get go is what really needs to be identified. The solution that you have in place could be a bandaid at best. You need something that is a little more long lasting and permanent. Thank you.

**Chuck Heitbrink:** We've certainly heard a lot of comments tonight, and I appreciate each and every one of them. And I appreciate those of you that have remained, and I can assure you that we are not finished here yet. This is the first of probably several meetings that we're going to have as we look towards the future. Thank you very much for coming tonight and have a good one.