

January 8, 2019
Sunburst Farms East, Inc. Annual Meeting

Location: Paradise Valley Mall Meeting room at 7:10 pm.

BOD Attendees: Steve Hess, Jeff Hauke, Carol Smart, Desiree Marciniak, Tom Krauch, Marco Stoppa,
Absent: Valerie Altgilbers

Number of Lot Owners in Attendance: 15

Introduction of the Board: Steve Hess and Welcome to the homeowners in attendance

Introduction of Jim Sullivan – Leal Counsel for SBFE.

Jim Sullivan presented update on legal case and recent ruling. Court ruled that Sections 2,3 and 4 prevailed in validation of the 2007 CC&Rs and Joint and severely for collections against the 9 defendants. Section 7, SBFE did not prevail as the defendants were successful in disqualifying on vote and Section 7 has 42 lots and SBFE needed 50% plus one. Section 7 will revert back to the amended Section 7 CC&Rs, but the Bylaws are valid as are the Rules and Regulations as long as they do not trump Section 7 CC&R's. Section 7 Non Water Takers will pay nothing and a letter is going out to Section 7 Lot owners relating to this.

1985 Agreement is Gone – SBFE Won

2004 Settlement Agreement is invalid – SBFE Won

Sections 2,3 and 4 CC&R's, Bylaws and R&R are valid

Legal for both sides are cleaning up documents and SBFE will move toward filing motion for Judgment against the defendant in the amount of \$309K.

Defendants have 20 days to file appeal after judgement is awarded. –Question asked if anyone of the defendants all or one can file an Appeal.

Homeowners that have not paid Dues – process to collect will be worked on over the next few days.

Letter will be sent out to community following the Board meeting on January 14, 2019 with Community Update.

Irrigation Update: Carol Smart and Jeff Hauke

Limited repairs in 2018, mainly Preventative maintenance. Continue to work on Stand Pipe # 6 and Engineer in December reviewed SP#6 and details and offered additional suggestions to work on quotations. SP#6 base is leaking and replacement is planned for first part of 2019.

Question asked if the cost was part of the 2019 Budget – no it wasn't, Capital Reserve and Assessment will be processed to cover expenses.

Homeowner offered assistant to Irrigation Committee as father has a lot of experience with wells and maybe able to offer more insight, Carol will arrange meeting,

2 Power outage in 2018 and extensive repairs to wiring made. Claim against APS is in the works by Desiree Marciniak to cover the repair cost.

Pump and Well are operating great.

Homeowners in attendance gave many accolades to Irrigation Service Company Gregg Luebkin and Jason Nowlin.

Questions asked about well on 56th Street across from Orange Tree and if the Board knew what was happening and how it may impact SBFE Water supply. Desiree stated that no communication has been provide by the Arizona Water Resource Department, but she will inquire when the March reports are filed.

Improvements to the Wellsite – new wood fencing on Thunderbird and 52nd Street, Address and Signage added, along with secure mail box. May look into additional needs of the Irrigation Service Company – homeowner offered to cover potential expense.

Carol and Jeff have been maintaining detail records of all repairs with photos and logs to continue the historical repair history for the irrigation system. They meet with each contractor on site and review all work performed before it starts and at conclusion.

Question about the depth of the well and water level.

Question asked about vehicles on Bridle Paths with camera on poles looking into back yards. SBFE was not notified and if anyone see activity like this they need to get license number of vehicle and name so SBFE can contact company.

Financials presented by Judy Nowlin

2019 Budget review, no increase to dues, 2018 finance flat to budget.

No homeowner questions

Desiree noted that Crossing light at 56th Street has been very valuable to the community and to Desert Shadows.

BOD Candidate Vote

There was no BOD Candidate Vote as we did not have a quorum. Desiree Marciniak has Candidate Ballots and count and will present at the meeting on January 14, 2019 and the BOD will discuss and Vote accordingly and assign officers. Asked if anyone want to volunteer on the Board that was in attendance. No other came forward.

Open discussion and talk among those that attended

Meeting Closed by Steve Hess and thanked everyone for coming.