

Ventana Lakes Property Owners Association

Board of Directors Regularly Scheduled Meeting Wednesday, April 16, 2008 Minutes

Called to Order: by President Sue Alandar at 6:30 p.m.

Pledge of Allegiance

Meeting Location: Ventana Lakes Yacht Club
20015 North 108th Avenue

Board Members Present: Sue Alandar, Tony Fiore, Moe Frenette, Richard (Dick) Matsuishi, Joe McCord, Lori Norris and Darrell Smith,

Property Manager present: Jack Donovan

Vice President Smith explained the new seating set up for Open Meetings. Due to difficulties obtaining sufficient volunteers to assist with set up and tearing down a theater style seating, a standardize seating arrangement which will accommodate the various meetings (Association Meetings, Dance, Pinochle, Aerobics, etc.) and uses of the Yacht Club is being utilized. In addition, the Board table set up was modified, the tables are now on the main floor and in a modified "Y" shape to assist with Board Members being able to see and hear each other.

APPROVAL OF MINUTES

Smith moved, McCord seconded, APPROVAL OF ANNUAL MEETING MINUTES DATED MARCH 4, 2008, OPEN MEETING MINUTES DATED MARCH 19, 2008, EXECUTIVE SESSION MINUTES DATED MARCH 24 AND 28, 2008.

Motion Passed

PRESIDENT'S REPORT

You may have noticed that this agenda is very full of both operational and policy matters. This is a very hard-working Board. We have several meetings scheduled for this month and next, and have been holding executive sessions for the purpose of taking care of some legal and resident-related issues. The number of meetings will slow down over the summer while many of Ventana's Association members are away, but we will each be carrying such research homework with us and you'll see some more important issues coming back in the fall.

But this is what is important. You have already seen a big change in how your Board operates in Ventana Lakes. You will, as we move forward with Ventana's business, see more changes in how our community operates. I believe it's important that you understand why.

Our community is changing, but it is not alone. The fact is that homeowners associations are seeing change ALL across the country. Since they were begun by developers in the 1980's, there have been a lot of court cases, some far more contentious than the one we just went through. Perhaps because of this, perhaps because of common sense, there has been a change in attitude about how HOA'S should be run. Cities and the attorneys who advise HOA'S are both trying

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very hard to re-educate and re-train the traditional autocratic Board. The old image of “We are the boss – do as we say or else!” just doesn’t fly anymore.

I went to a meeting of the West Valley Homeowners Associations last month where the topic – presented by Ekmark and Ekmark to various Board members from around the West Valley – was on enforcement of violations of the CC&R’s, particularly the Architectural rules. It boiled down to this quote:

Remember always that you are building a community. Your decisions should be based upon cost-effectiveness and a benefit analysis. There should be no subjective or aesthetic issue involved. Remember when you are addressing a violation: Is there a harm to the community if it is not enforced? How great is the harm?

This is also the training that is given at the Homeowners Association Training Academy, which some of us have attended. The role of a Board is not to keep the homeowners in line, but to build the community. Which means there will be yet more change in the way things are done. Which means we will need your input and your help as members of this Association. So thank you for being here.

TREASURER’S REPORT

Unfortunately partial financials were posted on the website earlier in the week. As of today Colby has provided a complete electronic version of the financials. If not yet on the web, they soon will be posted on the web.

The partial statements of income were misleading. They reported a budget excess of \$64,076 administrative expenses. We paid the total annual liability insurance premium of \$24,508 and a payment for federal income taxes in the amount of \$18,974 with the extension during March. We also paid legal fees regarding the shores litigation of \$25,408 in January. No wonder we are over budget but understandable.

Treasurer Frenette has instructed Colby to change the way the budget comparison is computed for liability insurance to eliminate this budget excess. A similar fix is almost impossible for other line items with seasonal fluctuations.

No longer will an updated CD list be included as part of this report, as the same information is included in the Colby financials.

A CD that in the amount of \$25,000 with First Federal Savings Bank was reinvested into the Wells Fargo Investment account on April 8 for 1 year at a rate of 3.3%. Two more CD’s are due in May and will be discussed at the May Board meeting.

Treasurer Frenette recommends that the Association create a separate Wells Fargo brokerage for the Gardens to keep their reserve funds separate from the Master account.

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As of March 31, 2008, the Accounts Receivable balance is \$7,924. Three accounts are seriously delinquent in the amounts of \$1,010, \$812 and \$700. Research has been requested on this and it will become an Executive Session topic of discussion.

McCord moved, Norris seconded, TO ACCEPT TREASURER REPORT DATED APRIL 17, 2008.

Motion Passed

MANAGER'S REPORT

On March 28, we suffered a gas leak at the Recreation Center, in the pool control shed. Southwest Gas came out and shut the gas off to the pool shed. On March 31st, Beebe Plumbing was contacted and they installed new piping and removed the old leaking pipe. This work was completed on April 3. On April 4th we applied, to the City of Peoria, for a permit to open the gas line, and the inspector from the city came out on April 7th and gave us a green light. On the 8th, Southwest Gas informed us that Beebe had not completed the work, so on the 9th Beebe returned and completed the work. Southwest Gas then returned on the 10th, opened the gas lines, and lit all pilots. At the time of this report, the pool and spa are hot, there is hot water for showers and in 15 days, we are back where we should be.

We have had continual problems with the lights at the North Park Pool and spa. On Friday, the 11th, our pool guy reported that we had a faulty light timer, which was replaced the same day. However we continue to be plagued by light failures in the pools and spas. I am going to work with our pool guy, and make a list of current lighting conditions at all the spas and pools.

Once the Recreation Center Pool and Spa are heated properly, we will close the Yacht Club Pool and Spa for repairs and refurbishing to the pool. The open pools will be the Recreation Center, the Coves and the North Park.

Repair and welding of the Lake #2 fence began on March 30th, with the repair and clean-up of the fence masonry. Preparation for welding and repair was begun on April 7th. The welding crew has completed 100% of the masonry work, and 40% of the welding and repair.

Bids to paint the Lake #2 fencing have been received and will be discussed under "Operations" business.

Preparatory work on the paving of the Yacht Club parking lot will begin on May 7th, and continue on the 14th and 19th. **ALL PARKING WILL BE PROHIBITED IN THE PARKING LOT OF THE YACHT CLUB ON THESE DAYS!!** On the 29th, the 30th and the 31st of May the seal coating will be done. Again, **ALL PARKING WILL BE PROHIBITED IN THE PARKING LOT OF THE YACHT CLUB ON THESE DAYS!!**

The Maintenance crew (or as they like to call themselves "The A Team") have done their usual excellent job, and the handicap chairs at the North Park Pool and Spa are operating. In addition, they refinished the tables under the patio at the North Park Pool and at the Coves Pool.

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The ice machine in the Yacht Club kitchen was repaired by Mid State Mechanical two weeks ago, but began to malfunction again last week. Mid-State was again called and it is now working. My thanks to Dave Bracken and Tim Willems and their "A Teams" for all their help over the past two weeks. A bug laid me low, and they stepped into the breach, as always.

I am happy to report that we now have a computer available in the Management Office on which residents who do not have computers can access our Web site. This was at the suggestion of the Board. If you have questions regarding the use of the computer, please ask anyone in the office for help.

Comments by Secretary Norris, I understand the Yacht Club parking lot and pool/spa will not be accessible, what about use of the Yacht Club itself?

Comments by Manager Donovan, No, the Yacht Club itself will not be available, even if they park else where, we do not want any one even walking on the new surface until it is cured. Barricades will be set up and no permits to use the Yacht Club will be issued during these time frames.

Comments by VP Smith, Regarding the gas leak project, what work was not completed by Beebe Plumbing that required them to return and was the Association charged for the return service?

Comments by Manager Donovan, They did not complete the hook up, they left the valve off so the City Inspector could see how much pressure the pipes would hold, they could have put the valve on the side, but chose not to. They installed the valve and painted the galvanize pipe, which was something else the City Inspector requested. I approved the bill and verified we were not charged for the second trip.

OPERATIONAL MATTERS

1. Bids to paint the Craft Room and Racquetball Court Exterior

Bids were received to paint the Craft Room ((\$2,025) and the Racquetball Court exterior (\$2,550) by Curtis Coatings, Inc. Unfortunately the contractor is now out of business and since these bids were received prior to the new procurement process, new bids will be obtained using the RFQ process.

President Alandar examined both of the facilities this morning and agrees the Craft room does need painting especially on the ceramic side. As far as the Racquetball Court exterior, it looks like all the buildings need a good power wash cleaning, which should be done before determining whether they need painting. And, I would like to use the RFQ process this next time.

2. Bids to paint Lake #2 fences

Three bids were obtained to paint the fences around Lake #2, Curtis Coatings, Inc. (\$38,728), Investment Painting (\$19,541) and Advanced Painting & Contracting (\$15,982). The Curtis Coating, Inc. bid was removed due to the contractor being suspended and off the market, which leaves two remaining bids. There are 88 homes around Lake #2.

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VP Smith reviewed the bids in which the RFQ process was used and provided specific requirements for the contractors to follow the bid process and the work to be completed.

Frenette motioned, McCord seconded, ACCEPT ADVANCED PAINTING & CONTRACTING BID OF \$15,982 TO PAINT THE FENCES AROUND LAKE #2.

Motion Passed

Board Member McCord, Why is there such a large discrepancy between one of the bids and the other two?

Manager Donovan, I believe this was the first time this contractor had ever seen an RFQ, he even walked the project location a second time and still submitted the \$38,728 bid. Remember this is also the company that is now out of commission.

VP Smith, If you look at the paperwork from Advance Painting, which is available, they give 110% on information. They provide their insurance, they specify the problems we want address, it is broke down by each individual gate location, which identifies exactly what while be address and the cost associated with the work. It was also broken down for the common property between neighbors, if homeowners would like to have repairs and painting done at the same time, they can receive the same break the Association is paying the contractor.

Treasurer Frenette, is someone in the Management Office checking the Registrar of Contractors on each of the contract bids received?

President Alandar, Yes.

3. Bids to remodel Yacht Club Kitchen

VP Smith, the Kitchen Committee has work extremely hard trying to get the kitchen redone to bring the community back together. A single bid on paper was received from Kowalski Construction, Inc. for \$34,680 which includes all permits and drawings. VP Smith spent a lot of time at the contractor's office past week and is less than impressed. They started their bid with the removal of all upper and lower cabinets on the west wall and demolition in the floor around the grease trap. As VP Smith walked through the bid with the design engineer, he identified several gray areas in which the contractor had received answers from two or three different County Building Inspectors, the same issues our Kitchen Committee has been dealing with. There are some gray areas because we have not had our kitchen operating for a number of years and with the outbreak of different viruses and food poisonings we need to ensure our kitchen standards protect us and our loved ones. Subsequent meetings with County Health Officials have resulted in a better understanding of what is needed to bring our kitchen up to those standards. A meeting with a contractor who specializes in commercial and residential kitchens is scheduled for today. We believe we are looking at closer to a \$12,000 cost, which includes stainless steal throughout the kitchen and allows us to operate at a safe and efficient manner. Once the updated bid is obtained, a copy will be provided to the County which specifically explains what is being done to meet standards and codes. We are not rebuilding a new kitchen; we are bringing existing equipment up to more than minimum standards in accordance with the County Health Department, which will protect us from liability.

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VP Smith requested tabling the kitchen project until the next meeting at which time he will provide at least two bids and a document from the County that if we do X, Y & Z we will meet the requirements to use the kitchen. The construction should take about one week.

Smith motioned, Fiore seconded, TABLE THE KITCHEN MOTION UNTIL THE NEXT OPEN BOARD MEETING.

Motion Passed

4. Proposal for new carpet in Yacht Club

Board Member Fiore reviewed and had discussions with several homeowners who propose replacing the Yacht Club carpeting which is worn out and stained.

President Alandar, Manager Donovan advised a bid was obtained to replace the Yacht Club carpet in 2006 at a cost of \$11,000.

Board Member McCord, if we were to replace the carpet, might I suggest we extend the carpeted area to include a portion of the dance floor in the back, opposite the stage area.

President Alandar, the Board has several Planning meeting schedule in May at which time all the facilities are going to be looked at and maintenance schedule created. A list of all projects needing to be addressed in Ventana Lakes would then be prioritized and a maintenance scheduled set so all homeowners would know when a particular issue is scheduled to be addressed. While I agree the carpet looks bad, I'd like to hold off until we have a chance to look at all the concerns in Ventana Lakes and include it in the schedule. We've already expended quite a bit in the last six months; landscaping, Recreation Center rest rooms, steam room, legal fees and soon the kitchen.

Alandar motioned, Frenette seconded, TABLE UNTIL AFTER THE PLANNING MEETING(S) IN MAY.

Motion Passed

NOTE: A legal opinion bulletin from Ekmark & Ekmark advised an HOA President can make motions and vote on agenda items.

OLD BUSINESS

1. Request all Common Areas be maintained under Master budget

Garden homeowner Don Horton asked to amend the tract declaration for the Gardens at Ventana Lakes to clarify that common areas in the Gardens are not included in the Parcel Assessment Areas. Since it was determined that this request would impact a significant portion of Ventana Lakes and not just the Gardens, an *ad hoc* committee was created to draft a proposal and this was tabled from the March 19 meeting.

VP Smith chaired the ad hoc committee and reported this was the first committee he has sat on that had 100% input and no arguments from either side, and it was a real pleasure. The thought process was this; individuals in the Gardens pay an assessment of \$183 just like everyone in

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Ventana Lakes plus an additional assessment for individual community property maintenance. There is a significant amount of common areas within the Gardens; this common area is not deeded to the individual residents. The Gardens account has been charged for the maintenance of these common areas. That needs to be evened out, according to our CC&Rs and governing documents, common area maintenance comes out of the Master budget. There needs to be some adjustment to ensure the Master Reserves take care of all common areas that are documented and specified as common areas, that is the goal of this ad hoc committee.

Board Member Fiore, to give you a rough idea of what the costs have been to the Garden residents; they have paid an additional assessment since 1993, despite the fact that two recorded documents, one which clearly states the Association is responsible for the common grounds in the Gardens. Yet, no Board has ever acknowledged these documents.

Comments by Don Horton, one example is how in 1995 builder Lennar collected subsidy for the whole community, which totaled \$400,000 in subsidies which were given to the Master Association. The Gardens did not receive one dime of this subsidy, the Gardens residents were charge for every dime that went into the Gardens including the common areas. This is why the Master Reserves stand at 74%, while the Gardens Reserve stands at 32%.

Board Member Fiore, according to your proposal, is it safe to say you are only asking \$40,000 be returned to the Gardens Reserves, despite documentation that upwards of \$260-300,000 was expended by Gardens residents?

Comments by Don Horton, the proposal states future charges to Gardens parcels would be limited to landscape maintenance, painting, roof repair or replacement on private property, basically that is the difference between the Gardens and the rest of Ventana Lakes. Common areas A-Z would be the responsibility of the VLPOA and the landscape contract will be bid separately and because of the irrigation system similarity, the cost related to maintenance and watering service be shared 50% Gardens and 50% VLPOA. We are asking for compensation from the Master Reserves for past overages associated with common area landscaping, water and repair costs in the amount of \$40,000 to be included with the already identified 2007 Gardens cumulative surplus (\$77,000) be placed in the Gardens Reserve which would bring the Gardens Reserve to parity to the Master Reserve of 74%.

VP Smith, to clarify, no individual homeowner in the Gardens will be paid any amount, this is about adjusting the Reserves from the Masters for that portion that was charged to the Gardens Reserves and only that portion that was charged for the common areas.

Comments by Bill Keitel, the problem with this proposal is there is no public access to tracts C, B, E, I and others. There is no public access without trespassing through the vast majority of the Gardens common area tracts. The Gardens is a parcel assessment area, I'm not saying its fair, and unfortunately that is what people bought into. I don't mind paying for the common areas I can use, but don't charge me for areas I can not use.

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VP Smith, the ad hoc committee will gather the plot maps and identify the common area tracts that each side has questions about so everyone can see what is being discussed and decide for themselves at a special meeting.

Smith motioned, Norris seconded, TABLE FOR SPECIAL MEETING.

Motion Passed

2. Gardens Expense Offset

Proposal for administrative costs generated by the Gardens be charged to the Gardens budget instead of the Master budget. This includes consideration of possible reductions from Gardens surplus from past fund accumulation before transferring it to Gardens reserve. Tabled from March 19 meeting.

Treasure Frenette, in light of what I just heard, I think this item should be tabled also, except for the surplus money needs to be moved over and any offsets should be addressed later if there are any. One thing to add, what I just heard for the Gardens whenever there is litigation involved there should be a statute of limitations which prevents going back for an indefinite period of time. I don't know what they are for this purpose, but normally they are 2-4 years, and could be more with this type of issue, but they definitely don't go back to 1993.

Frenette motioned, McCord seconded, APPROVE MOVING THE GARDENS SURPLUS IN THE AMOUNT OF \$77,000 FROM THE MASTER RESERVES TO THE GARDENS RESERVE AND CREATE A SEPARATE CD INVESTMENT ACCOUNT FOR THE GARDENS AT WELLS FARGO BANK.

Motion Passed

Comments by Chuck Schumm, point of history, in 2003-2004 there was tens of thousands spent out of the Gardens Reserves to paint all the homes in the Gardens, that is why the Gardens Reserves were depleted to were they are now.

NEW BUSINESS

1. Appointment to Architectural Committee

The Architectural Committee has asked for the appointment of Pam Barker an 8-year resident as an Alternate Member.

McCord motioned, Fiore seconded, APPROVE PAM BARKER AS AN ALTERNATE MEMBER OF THE ARCHITECTURAL COMMITTEE.

Motion Passed

2. Appointment to Gardens Landscape Committee

The Gardens Landscape Committee has asked for the appointment of Brian McLaughlin a 13-year resident as a Member.

McCord motioned, Smith seconded, APPROVE BRIAN MCLAUGHLIN AS A MEMBER OF THE GARDENS LANDSCAPE COMMITTEE.

Motion Passed

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3. Reconsider a Dues increase for the Master Budget

Treasurer Frenette, There a variety of ways we can address this; our Reserves are coming down and will be coming down some more with all the projects currently being addressed. The amount coming out may not be equal to the amount going in. In 2007, Colby Management reported more activity in the Reserves category than in the Operating category, which indicated our Reserves were over funded in 2007, this is not accurate. This has been corrected with Colby Management for 2008. For 2008, each Reserve will be fund at \$14,000 for a total annual amount of \$168,000; this reflects a slight increase from last year. Colby Management also made a larger than normal payment to the Tax Extension category to protect the Association, which also added to the miss leading over funding, this also has been corrected with Colby Management. I recommend utilizing the 2007 over funding that was reported in the Reserves category for 2008 which will keep our Reserves in the 75% range, which is a strong position and we should always stride to keep our Reserves between 75-80%.

We possibly could get by this year without a Master Assessment increase for the last 6 months, but no increase in 2008 would result in a substantial quarterly assessment for 2009. Based on the first two months of 2008 (did not have March statement available), an estimated increase for the remaining six months of 2008 would be \$1.00 dollar per month, with an estimated \$2.00 per month increase for 2009. If no increase for 2008, then an estimated increase of \$3.00 per month for 2009, which would be \$9.00 dollars per quarter or \$36.00 dollars for the year for the Master Assessment.

Frenette motioned, McCord seconded (for the purpose of discussion), APPROVE A \$1.00 ASSESSMENT INCREASE FOR THE REMAINING SIX MONTHS OF 2008.

Motion Failed.

1 - Yes (Frenette)

5 - No (Smith/Norris/McCord/Matsuishi/Fiore)

Comments by Linda Hahn, why is there only one representative for the Gardens? Why is there not equal representation on the Board for each of the subdivisions?

President Alandar, we would have to have sixteen Board Members to represent every subdivision here.

Board Member McCord, there are 108 homes in the Gardens which represents 6% of the 1,701 homes in Ventana Lakes, with a seven member Board, the Gardens is over represented. People run for the Board, does it really matter where they live, the Board is suppose to represent all 1,701 homeowners.

Comments by Linda Hahn, representation is to look out for our interest, the budget was over funded, and we shouldn't have been over funded.

Treasurer Frenette, the Gardens over funding did not happen on my watch; I identified the issue and brought it to the community's attention. It has been sitting in the Master and should have been moved over to the Gardens immediately, but that happened under the previous President

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and Board. There has been no harm to the Gardens as Colby Management has been accumulating interest on the amount, what was wrong was the amount was sitting in the Master Account.

Comments by Chuck Schumm, I want to clarify, this proposed \$1-\$3.00 dollar increase would not include the impact the Gardens common area adjustment may play if approved?

Treasurer Frenette, that is correct. There are a lot of unforeseen in budgets.

Comments by Joe Broschka in the March 2008 Board meeting I brought a \$102,000 Operations lost in the 2007 Financial Report to the attention of the Board and Treasurer Frenette stated the report was not right and that there should have been some things that should have been included that were not. My question is to each Board Member, when you issue a report; I assume that all homework has been done and that homeowners can be confident that the report is accurate? The second thing is, in 2006 the Association lost \$56,000 and the 2008 first quarter is showing the Association has lost \$10,000. What assurance can the Board provide that we will not see a repeat of these losses which affects the equity position of our homes?

Treasurer Frenette, as I explained earlier, the Operation category was under funded and the Reserve category was over funded. When the statements were restated by the Certified Public Accountant, the opposite happened; there was a net profit in Operations. I have already corrected the inappropriately posted Reserves funds by moving them to Operations, there is one exception, the Reserve interest amounts which will be dealt with as an end of year adjustment.

Comments by Joe Broschka are you saying there are errors in the 2006 and 2007 Financial Reports?

Treasurer Frenette, there were errors in presentation; funds were inappropriately posted to the Reserve category which should have been posted to the Operations categories. No money was ever lost.

NOTE: Chuck Schumm volunteered to sit on the Financial Committee.

4. Role and Responsibility of the Architectural Committee (Tabled from March 19th meeting)

The Board has received legal advice regarding CC&R interpretations. Article XI, Section 1 requires the Board to adopt procedural rules for the Architectural Committee; the Board has not adopted these rules. I recommend the Board begin working on 2008 Community (Architectural Committee) Guidelines and that the first procedural rule is that the homeowners own issues be addressed before the guidelines become official. The Architectural Committee has submitted guidelines for 2008, but I'd like to see all the current guidelines and rules reviewed by the entire community. The Architectural Committee has done a lot of work; they meet every Monday and have done a lot of work establishing these guidelines. Our community has been around a long time and we need to look at these as a community and see if they need change.

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Board Member Matsuishi, the community guidelines, which includes the Architectural Committee rules, needs to be reviewed by the entire community. As mentioned by President Alandar, any guidelines have to include no harm to the community rule.

Matsuishi motioned, Smith seconded, SET UP OPEN MEETINGS TO REVIEW AND OBTAIN COMMUNITY INPUT FOR THE ARCHITECTURAL GUIDELINES BEFORE THEY ARE ADOPTED BY THE BOARD ACCORDING TO CC&R ARTICLE XI, SECTION 1.

Motion Passed

1- Abstain (Frenette current Architectural Committee member)

Comments by Ken Hunstad, what is going to be reviewed?

President Alandar, all the past and current proposed rules.

VP Smith, the concern of the Board, whether it deals with CC&Rs or Architectural they are twenty-one years old. Things change, as we move into an age of solar heating, our rules need to change with the times. The guidelines protect our property values as well as what goes on in the community. This Board does not want to be making decisions on every aspect of your home and life style. They are called Community Guidelines for a reason; therefore community input should be sought and the majority decision followed.

Comments by Ken Hunstad, the only way the Architectural Committee operates and we have been doing it for ten years, we've gone through several Boards, the current Board is no exception and has only been here a few of months. Some of the Board Members have taken this issue to the attorney and sat at the table with the committee and stated we are doing it correctly. We know what we are doing and we are doing it right.

President Alandar, Mr. Hunstad you are operating under the assumption the Board has received a complaint or something. We are not doing something brand new or that you are doing something wrong, let me read you a quote from a book called, "Be Reasonable":

It is time for Associations to write responsible rules and review existing restrictions. To eliminate restrictions that are outdated and illogical and address specific problems with clear specific solutions. To realize overzealous and unreasonable Boards of Directors can be more damaging to property values than the violations they so vigorously try to prevent.

We are just trying to be a reasonable Board of Directors; we are looking at the restrictions within the community and try to make this a better place. We are not saying you have done anything wrong, we're saying perhaps are Architectural Guidelines could be better and perhaps our homeowners should have a say in what rules they are living under.

Comments by Bill Keitel, the "performance of their duties", means the Board has the right to tell the Architectural Committee when to meet, how often to meet, who we meet and so on and so forth that is what the rule means. I think this is what the attorney is getting at. Because the

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CC&R Article VI, Section 1, states the Architectural Committee shall promulgate architectural guidelines and standards to be used in decisions, it doesn't say the Board shall promulgate.

President Alandar, the Board says HOW the committee is going to promulgate the rules.

Comments by Ron Reszenski, Mr. Keitel is saying five people can tell 1,701 people what they can and can not do, no it is the Board.

VP Smith, let me clarify, that is our concern with the CC&Rs and the Architectural guidelines, as an individual we have to live with the decisions regarding these documents. This Board you elected told you from the beginning we represent you, we expect you as individuals have a right to say in the rules you want to live with and it's the majority that's going to rule. Times have changed, and as with any committee, is it appropriate to say, regardless of who sits on the committee, to say how you're going to exist on your property? Or, is it reasonable and the right thing to do, to allow the community to have some input and agree upon those things that are going to affect each and every one of us.

Comments by Roseanne Fiebig, I'm not for or against, I just want to say, the Board said they wanted to make changes with the Election Committee, the election process and I, myself was very unhappy with that at the time. They did come up with some things that we did not have and the every thing turned out really great. We all worked together and we all came up with the same things in the end and we had a good election. I think this is what their trying to do now and it's kind of hard for the Architectural Committee. They work hard, and they're doing their best just like any one else on a committee. I think you should listen to what they have to say and work together, because that's what it's all about.

President Alandar, another issue that was brought up by the Architectural Committee was policy on violations and fines. There are no rules on fines to be levied. Should the amount of fine be the same for all violations to prevent confusion, who will decide the amount if the amount is varied, who will decide the severity of the violation. I believe the Board needs to address this as part of the rules that the attorney was talking about. The Board has been reviewing in Executive Session several issues that the Architectural Committee has submitted for possible fines. We want to set priorities, what is important to this Community. We need to work on a mission statement for the community and to protect the property values which is what the Association, the Architectural Committee and any fines to be imposed are all about. This is going to take some time, we appreciate the Architectural Committees input so far and will be working with them to address this issue.

5. Advisory Groups

At previous meetings we discussed forming Advisory Groups, which are nothing new to our community, but there were a lot of questions, a lot of ideas so we started drafting some of those ideas and addressing the questions.

An Advisory Group Member is not a Board Member or a Standing Committee; they are an advocate for a specific subdivision to have their concerns and issues brought before and recognized by the Board, Management and Committees.

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Ventana Lakes Property Owners Association has sixteen identified subdivisions within three quadrants of the Master Association.

Subdivisions

- | | |
|----------------|-----------------------------------|
| 1. The Shores | 9. Country Greens (North & South) |
| 2. North Shore | 10. Moonlight Bay |
| 3. North Park | 11. Landings |
| 4. Highlands | 12. Bay Point |
| 5. The Gardens | 13. Bay Point II |
| 6. Heritage | 14. South Bay |
| 7. Lakeside | 15. South Bay II |
| 8. The Coves | 16. Heritage II |

Quadrants

1. Northeast Quadrant (North of Beardsley, East of 107th Avenue)
2. Northwest Quadrant (North of Beardsley, West of 107th Avenue)
3. Southwest Quadrant (South of Beardsley, West of 107th Avenue)

Each Advisory Group should be limited to 1-3 individuals and must register with the Board to ensure the appropriate individuals are communicating with the subdivision homeowners, the Board, Management and Committees.

Purpose of Advisory Groups:

1. Find ways to distribute information from Management, Committees and the Board that is important to their specific subdivision.
2. Collect concerns from homeowners in their specific subdivision regarding neighborhood issues that might affect only their subdivision or all of Ventana Lakes. Responsible for prioritizing these matters, bringing them to Management's or the Board's attention for placement on the appropriate agenda to be addressed.
3. Serve as a point of contact to identify potential volunteers for a project in their specific subdivision.
4. Serve as a point of contact to verify information or issues within their specific subdivision.
5. Assist in finding solutions to issues which will save time, money and relationships. Advisory Groups are designed to help, not hinder the Board, Management and Committees.

Procedures:

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Advisory Group Members shall be responsible for ensuring homeowners within their subdivision are provided their contact information and how they want to receive concerns or issues (i.e., email, phone, letter, etc.)

Advisory Group Members are encouraged to work with established Block Watch Members.

Advisory Group Members are not to enforce CC&R, Bylaws or Procedure violations.

Advisory Group Members must have a working knowledge of the CC&R, Bylaws and Community Procedures.

When an Advisory Group identifies a potential concern within their specific subdivision they shall draft a written summary of the issue listing who, what when, where, why and how, as well as listing possible solutions to the concern.

Two Board Members (excluding the President) shall be assigned to each quadrant to assist in processing the concerns and issues of the specific subdivisions within that quadrant. All decisions require a Board quorum.

A quarterly meeting shall be scheduled for each quadrant between the assigned Board Member(s) and the Advisory Group Members within the quadrant to ensure communication lines are open and to discuss potential updates to the Advisory Group procedures.

6. Request to donate fountain for Lake #9

Resident Carl Ford has obtained 26 pledges to donate \$250 a piece, from home owners around Lake #9 shores, to cover the purchase price of a DA-20 Display Aerator. The DA-20 is very similar to the model that is installed on Lake #1 by the Recreation Center. The DA-20 is designed to put oxygen back into the water, which in turn helps control algae growth and pesky insects while safety promoting a healthy environment for fish and other wildlife. APS has provided an electrical estimate identifying the cost to be approximately one dollar a day to operate. Maintenance is very simple; a wire brush is used along the intake screen to remove any debris, and with the fountain off, fountain nozzle can be cleaned.

Wayne Bell with Clear Water Engineering advised they are the only licensed company in the State of Arizona for floating aerator installation. Installation will consist of running approximately 470 foot of electric power cable encased in PVC pipe off of the meter at the north end of the lake to the center of the lake. There will be no damage to the lake liner, the cable will simply sink into the lake floor, the pump is held in place by cinder blocks and it is a timer operated system to control when the fountain is on or off. Each and every component of the pump is replaceable. You can not over oxygen a lake; the way the aerator operates is by injecting the drops into the air where the molecular transfer occurs, which absolutely aids in the health of the lake. There are several ways to control over spray, for an addition charge an anemometer can be installed to control when the fountain comes on or a VFD (variable frequency drive) which the harder the wind blows the lower the fountain height.

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Frenette motioned, McCord seconded, APPROVE PROPOSAL FOR HOMEOWNERS TO PURCHASE AND INSTALL A DA-20 DISPLAY AERATOR IN LAKE #9 TO INCLUDE A HIEGHT CONTROL AND WHICH WILL BECOME THE PROPERTY OF THE VLPOA WHO SHALL THEN BEAR MAINTENANCE AND OPERATIONAL COSTS.

Motion Passed

4-Yes (Frenette/Norris/McCord/Fiore)

1- No (Smith)

1-Abstain (Matsuishi who lives on Lake #9)

7. Request to waive fee for Aerobics Instructor

Homeowners in the aerobics class are requesting that the 15-year instructor of the aerobics class no longer be required to pay 10% of her \$3 fee to the VLPOA.

Matsuishi motioned, Smith seconded, APPROVE WAIVING 10% MANAGEMENT FEE PAID BY THE AEROBICS INSTRUTOR.

Motion Passed

President Alandar, we will address resident Cathy Huffman specific proposal for the Community Aerobics Instructor at this meeting and place on the next meeting agenda to address other Community service management fees.

COMMITTEE REPORTS

Architectural

Ken Hunstad, the Architectural Committee has processed 65 request this month; 13 involved house painting, 24 landscaping/driveways, 1 pool/spa, 13 patio/gazebo, 8 building modifications and 1 satellite dish. There were 5 denials, 2 violations referred to the Board, 49 final house inspections, 19 closed due to resale and 10 needing follow up inspections.

Maintenance

Dave Bracken, 14 projects currently being addressed.

Lakes

Tim Willems, last Wednesday Game & Fish released 122 sterile Grass Carp into the lakes. Water Resource Company is testing our lakes to ensure algae are at a healthy level. Complaints that the lakes have been too green have been due to aqua shade being placed in the circulator pumps, they're pretty clear now. Mature trees around the lakes and heavy winds are causing the tree roots to move the soil resulting in cracks in the concrete around the lakes. Grass repair around Lake #2 is still being researched. Carescapes Landscaping has been instructed to keep bushes no higher than three feet high around Lakes #3, #4, #5, #6, #8, #9.

Truck Traffic and Environmental

Joe McCord, last night we presented a video to the City Counsel regarding the truck traffic along Beardsley. The video made an impact, but we still need to show this is an important issue to us by representation at a meeting. Date and time of next City Counsel meeting to be announced.

The next Mining Board meeting will held June 3 at 1:00 pm at the Yacht Club.

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Smith moved, Frenette seconded, THERE BEING NO FURTHER BUSINESS TO DISCUSS,
MOVED TO ADJOURN.

Motion passed

Board Meeting adjourned at: 9:13 p.m.

Lori Norris, VLPOA Secretary

Date: _____