

Vice-President's Report
Board Meeting of 21 July 2010

Probably the single most important board meeting held in the 20 or so years of the history of Ventana Lakes was held on June 28 when your board, in an open meeting, set in motion a process to renovate the common areas of our community.

By its actions on that date, your Board decided to move forward to repair and renovate that portion of our community which is judged by outsiders and, in the process, make residents even more prideful of our community.

Before the year is over, we intend to repair and repaint virtually all common walls and fences throughout Ventana Lakes.

We intend to replace old and outdated furniture in both the Yacht Club and the Recreation Center; to repair or replace equipment in both buildings, lay down a new wooden floor in the Yacht Club, replace the carpeting around it, replace the stage floor, install vinyl flooring in storage rooms, refinish the fitness room floor in the Recreation Center, retile the steam room, replace exterior awnings at the Rec Center, replace or restring pool deck furniture and, where necessary, resurface and reseal/repair pool decks.

The very first project will be to replace all our irrigation lines -- some of which were laid down by the original developers and have long since outlived their useful lives. Right now we are spending an inordinate amount of money repairing irrigation lines, only to find that those repairs lead to even more leaks elsewhere in the system because the old lines cannot handle the pressures created by the new lines. Replacing the entire system will lead to immediate savings in this area, savings which then can be applied elsewhere to repair other outdated equipment.

This is a massive overhaul of Ventana Lakes and our community will be much the better for it.

Clearly, this will cost a considerable amount of money -- roughly \$350,000. Therefore, the first question most people will ask is: "Where is this money coming from and will it affect my quarterly assessments?"

The answer to the last question is a resounding "No!" because the answer to the first question is: from money already put aside in our reserve fund for the very purpose of making these repairs.

At this accounting, we have more than \$1,400,000 in our reserve fund, money which you, the property owners of Ventana Lakes, have been paying into the fund for some 20 years -- for the sole purpose of repairing and replacing items as they wear out or become outdated.

These expenditures are planned and anyone who has read the Reserve Study could see, in black and white, that these expenditures are absolutely necessary.

What your Board has done is to apply common sense by looking at the current economic situation in Arizona and adjusting the Reserve Study to call for moving up some work, which was scheduled for 2011 and 2012, into this year. Our consultant has estimated the cost of delaying needed work and has told us that, to do so, will cost us an additional \$50,000. In other words, we could delay this needed work for a year or two but, if we do so, we will pay another \$50,000 to do the identical work then. Such an action makes no sense whatsoever, particularly when one considers that current interest rates are so low -- some in the one-half percent area -- that it would be the height of foolishness to keep money in those accounts when we can get the needed

work down now. In fact, the return on our investments are so low right now that all we are doing is parking our money until we need it.

The truth is, we need it now.

It's our money and we ought to use it to make our community better, to make our lives better, and to improve our property values. Any realtor will tell you that, if a community looks good, the values of the homes in that community go up accordingly.

Nor has your Board gone on some wild spending binge. Of the work we intend to do, \$240,000 worth was already scheduled for completion during 2010 -- all we have done it to move some of the work scheduled for next year, and the year after, into this year to take advantage of lower prices which are available right now, but which will not be available if we wait.

You have heard the phrase: "Win, Win!" Well, that's the situation we're in right now.

We cannot lose by using our own money to make our own property look better at the lowest possible cost.

Furthermore, "Nothing is final yet." Your Board has made the decision to move forward on this major upgrading of our community but, until bids come in and are carefully considered, no contracts will be let.

You will see some work in progress very soon, but that's because contracts already have been approved for specific jobs, jobs which fall outside the scope of the Reserve Study and are considered ongoing maintenance.

However, once our revised Reserve Study is approved and contracts have been let, expect to see numerous contractors working on projects throughout Ventana Lakes. A few jobs will require shutting down facilities such as the Yacht Club or the Recreation

Center or some of the pools for a day or two but, for the most part, life will go on normally.

When all the work is done, though, your community, our community, will look much, much better and, while we have been proud of it in the past, we can be even more proud of it in the future.

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