



Highlights from the Condo Board Meeting March 8, 2007

President Luciuk's Comments:

The Communication Team feels that the importance of President Luciuk's opening comments to the Board and residents in attendance at the meeting deserves to be repeated in its entirety. This is printed on a separate page enclosed in this issue.

The President also mentioned that action has been taken against a gentlemen living in the Park who has harassed some women residents. One of the victims has filed a complaint with the Mesa Police Department. The Board has restricted this person from using the Electronics Room and he must refrain from being in any situation where he would find himself alone with a woman. The Board has requested this person seek medical and professional counseling, and provide the Board with documentation that this has taken place.

General Manager's Comments:

Manager Schmit reported that Maintenance will begin trimming back the freeze-damaged landscaping in the next few weeks. Because of the severe freeze this winter some shrubs and bushes will be trimmed drastically or are lost entirely. By next fall we should all be able to enjoy the beauty of the greenery around the Park.

Residents leaving for the summer are urged to make arrangements for weed control on their lot while they are away. A product called Ortho Ground Clear is recommended for areas that are rock only. A word of caution: if using the Ortho product, keep it away from plants and bushes.

Lot Owners and residents attending the Board meeting again heard that building permits are required for everything from plant placement to construction. There have been some issues this season with people not pulling permits, or pulling permits but doing work that exceeds what was permitted. Between Rick Schwab, VO Architectural Inspector, and the Architectural Committee, these jobs are watched and shut down if necessary. (The Committee is working on a Handbook that will contain all the Rules and Regulations from our CC&R's regarding remodels, rebuilds and landscaping requirements, and will be available to Lot Owners when completed.) We are not targeting anyone, rather we are trying to insure that residents follow code requirements and above all do not build into the easements. This is critical if we are to be successful in our mitigation plans with SRP.

Forms for the HUD age verification are being sent to each occupant of a lot in VO to verify the age 55+ status of the Park. HUD requires a new form every 2 years, and it is to be completed by either the owner or the renters that are currently occupying the lot. Forms are to be returned to the Administration Office. Your cooperation in this matter will be greatly appreciated.

The new decal system for parking and resident badges has been very successful. These will be changed every year so that the system stays reliable.

Manager Schmit expressed her thanks to the Handymen who are painting the pool bathhouses and surrounding shade structures for Venture Out. Their willingness to take on this large project saves us money but, more importantly, it is a job greatly appreciated by everyone.

Lot Owners' Comments:

Lot owner representing VO's past presidents presented to President Luciuk a new gavel for use during his term of office, and it is to be used with honor and integrity.

An owner asked why the Board Meeting and Budget Planning meetings were not announced in the Outlines. President Luciuk advised that they were published in the Out-Lines two weeks prior.

Another owner asked if the Board would consider going back to using a golf cart and PA System to announce the Board meetings and Town Hall meetings. He wondered if Mary would mention in her weekly column that when Park Models are being removed or set, residents avoid those areas for safety reasons and allow the workers space to move the equipment about. And lastly, he sees nothing being done on the tree trimming or work with SRP.

Treasurer's Report:

Treasurer CATHRO provided revised budget sheets for the Board members to study before the next meeting. The current revision includes \$320,800 for a television service contract for which no formal decision has been made at this time. Capital project expenditures are estimated at \$55,100. Regretfully, some projects will need to be put on hold in view of the operating expense increase.

The Board was faced with making some very difficult decisions largely due to unusual circumstances in respect of continuing legal costs to protect our 55+ status, television services, infrastructure issues, and the need to pick up the difference between our insurance deductible and losses incurred by the Social Club. Adding to these estimates is the project of skinning palm trees over a three-year term, moving a part-time Activity Office janitorial position to full-time status, and increasing our entry level hourly rates because of market conditions.

With respect to the extraordinary legal costs, the Osburn/Pinney motion for a retrial will not be heard until April 10 and then they have 30 days after that ruling in which they may appeal to a higher court. We are basing the estimated legal costs on past experience.

The Board will make a final decision on budget approval at the March 22, 2007 meeting. If the budget is approved at the next Board meeting, the quarterly assessment of \$495 will be proposed for the coming year. (This figure represents \$445 for the 2007-08 Operating Fund and \$50 credited to the Reserve Fund.)

Social Board Report

Vice President Laurita reported that the Clubs are continuing to work on their fund raisers and budgets. The Social Board has been working on its budget and it will be submitted to the Condo Board before March 22nd.

Vice President GALE referred to the Social Board minutes of February 13, 2007 where approval had been given to the Pool Room Association to install floor tile around the wet bar area. He advised that the request needed to be on a transmittal form before any work could take place.

Committee Reports:

The Election Committee Report by Barbara Canning provided the Board with the election results for new board members and the ballot propositions. Moved by Secretary WARREN that the ballots from the Annual General Meeting be destroyed in accordance to the Rules and Regulations.

The Architectural Committee Report by Director Morfeld provided the Board with definitions for compliance to lot easements for rebuilds and remodels of Park Models along with easement restrictions for corner lots. Moved by Director MORFELD that the guidelines be accepted.

Communications Technology Committee Report came in the form of a recommendation by Bob Brownridge, committee member. It has been the committee's priority to negotiate the best possible deal, and to assure continuation of TV service until a new contract can be negotiated. The committee has given a recommendation that the Board will act on at the March 22 meeting.

Infrastructure Committee Report by Vice President GALE gave an overview of actions that have transpired between SRP, Venture Out, and the City of Mesa over the past 20+ years. Several plans have been on the table for study and discussion. The committee believes the continued meetings with SRP are productive, and both sides have a positive attitude and the feeling that progress can be made.

Unfinished/New Business:

The Board conducted the annual business of appointing auditor, bank and signing officers, lawyer, corporate secretary for the year 2007-08.

Approved changes in the Terms of Reference for standing committees along with the new members who will be serving during 2007-08.

Approved the revised Mission Statement. Manager Schmit will move forward on having signs prepared for placement in the Administration and Activity Offices.

Treasurer CATHRO moved the following addition to Rules and Regulations, Section IV, Number 10: "A condition of any permit issued that also requires a City of Mesa permit shall be that no portion of any structure to be constructed or reconstructed upon a Lot will infringe upon an easement and that any existing structure upon the Lot that infringes upon an easement will be concurrently moved from the easement. Permits must also require full compliance with current Venture Out Governing Documents and City of Mesa building codes unless a motion of the Board approve a specific exception." Motion carried.

Treasurer CATHRO moved that Rule IV (10)(a) be changed to read "installation of a newly placed Park Model." Motion carried.

Treasurer CATHRO moved that Rule II (6)(e) be changed. The Board requested that the motion be carried over to the March 22, 2007 meeting to allow the Directors more time to study the proposed additions.

The variance submitted to the Board from the Architectural Committee was not approved.

Submitted by Sue Warren/Gary Robbins, Communication Team



President Luciuk's Opening Comments to the Board of Directors and Resident Owners in attendance at the March 8, 2007 Board meeting

At our organizational meeting on February 16th I took the opportunity to thank my fellow colleagues for electing me as their President. I repeat those thanks again today to each of the Directors. The last two years have opened my eyes to many aspects of Condo Board activities at Venture Out – especially the trust we have accepted as members of the Board elected to serve all 1749 owners. Previous presidents have established benchmarks that are high and daunting. The challenges for us in the next year will call for serious reflection, will call for wise judgment and will ask us to apply careful scrutiny of the issues placed before us.

I had an opportunity at the organizational meeting to thank our retiring president, Norm Thiessen for his commitment that he demonstrated in the past three years, and for the legacy that he left through a management philosophy that encouraged us to work harder than we ever imagined and then upon reflection say to ourselves that we really enjoyed the experience. In just the last three weeks I have seen the work ethic that the current Directors bring to the Board, and I am most pleased to act as their chair through the office of the President.

As a Board we have the opportunity to share our skills and plan for the many challenges that will come to our attention. In the last few days we reviewed our Administrative Manual to reaffirm our Mission Statement, appoint a number of members to guide our functions on various committees, and also develop a set of goals and objectives for the coming year. Today at this meeting we will have a series of these appointments formally introduced and publicly approved to act as our guide and blueprint for the next year.

Some of the audience have heard me say that change is never static and it is NORMAL < NECESSARY and NATURAL. How we manage this CHANGE as a Board will make a difference, and it will impact on our successes in the coming year. One of my strongest held beliefs will surface periodically as we deal with issues that require a decision. This belief is rooted in the following:


“Once equality under our by-laws is abandoned, the only debate that remains is the degree and direction of favoritism.”

We do not want to knowingly abandon our By-laws.

Our By-Laws were written by our former Boards as a guide and a bench mark to follow. If we disagree with the By-Laws then there are ways to change them through a legal process involving the residents in a proposition vote. Each of us has taken the oath of office to perform our duties in good faith and undivided loyalty to the Association and its members. We have sworn to provide equal protection, due process and fair and consistent treatment to members of the Board and to members of the Association.

As we deal with matters before us we need to remind ourselves that the common good in a Home Owners Association (HOA) is far greater than the individual choices and preferences we may have. That also means that the majority of the residents decide the direction on critical issues placed before them. On our recent propositions, choices were made we will implement them.

As a Board we are empowered to deal with the many Rules and Regulations we have in our documents, but the Declarations and the By-Laws are the collective responsibility of the resident owners. We have taken on the task of working on their behalf and the challenges are going to be many. In the following weeks we will continue to deal with budget shortfalls related to our court proceedings (Osburn/Pinney), SRP infrastructure demands, the bills resulting from the City of Mesa tax audit, and the plans for needed maintenance and capital project expenses in our Park.



Our planning started as soon as we were organized, and it continues especially as it happened during the past week. Our committees are identified and our goals and objectives are in draft form waiting to be approved. Our budget will be presented in draft form later in this meeting.

With new faces on the Board and a change in responsibilities for those of us remaining, I will take a few moments to reflect on values and issues that will likely surface during my presidency:

1. One challenge for us this year will be to stay true to our governing documents. These documents were historically developed and if we believe in them, then we must enforce them. As I stated earlier, there is an avenue to change our By-Laws as we deem necessary through consultation with our resident owners.
2. The Board speaks with one voice when an issue is decided and every member will have an equal voice and opportunity to influence the decision making process. My role will be one of facilitating and presiding over the discussions. We have procedures for bringing issues and recommendations to the Board through our Board files. This procedure includes a written rationale, a time for personal reflection before the meeting, followed by a discussion at the Board table.
3. As a Board we should not nor attempt to micro-manage the activities of the Park. We need to set policy and provide the support to our General Manager as she deals on a daily basis with a wide variety of issues. I anticipate frequent meetings with Ms. Schmit, and I anticipate the free flow of advice and information going both ways.
4. As we prepared our goals and objectives for next year we needed to remain realistic, yet optimistic, in what we will be able to accomplish. We need to demonstrate that we are pro-active in our approach, and not solely re-active to situations as they come before us. Our objectives have been directed to the Board as a whole, and also to individual members as they act on our behalf through the various committees.
5. Consultation and good planning should be our prevailing guideline. We will ensure that the interests of the Park are paramount in our decision making, and we will engage residents on as many committees as possible. We will demonstrate consistently that we will listen, but listening does not imply agreeing with all points of view. We know that we will not satisfy everyone with our decision making. We will need to trust our experiences and our common sense to make what we would consider the right decision based on the information presented to us.

We will work at earning your respect and confidence. We will be true to our commitments, and we will be open to your suggestions. You may have noticed that I did not use the word they but we as I discussed these dimensions and challenges. Challenges are meant to be overcome and are not intended to place us in a position of “learned helplessness.” We have heard the comments about THEY – when are they going to do something? We are the THEY as resident owners, and let’s get our act together rather than always being ready to blame someone else. The individuals who make every attempt to attend our Board meetings need to be commended, and I do so this morning by thanking you for being part of our audience.

I will finish my comments this morning by reflecting on an inscription that was seen on a pedestal, which as a Board, all of us may want to remember. It goes like this:

*May we have the vision to see
The faith to believe and
The courage to do*

VENTURE OUT CONDOMINIUM BOARD OFFICERS

2007 - 2008

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INFRASTRUCTURE COMMITTEE STATUS REPORT

03/15/2007

SRP

Goal: Negotiate a long-term agreement that provides for both the current and future power requirements of Venture Out.

Setbacks and Easements.

1. Our original CCR's registered with the County of Maricopa provided for a 10-foot easement along all property lines.
2. This was amended to be a 10 foot Irregular Easement across each property.
3. May 18, 1983 V.O. was annexed by the City of Mesa. In a **"Memo of Understanding"** Venture Out was annexed **"AS IS"**. It was clearly stated that it was Venture Out's responsibility to enforce Set Backs.
4. December 1983 through our lawyer the City of Mesa agreed that non-conforming units could remain as they were at the time of annexation. If and when changes were made, all structures would have to be brought back into compliance.
5. 1991 our CCR's providing a blanket easement of ten 10'.
6. December 95 received a memo from the City of Mesa stating setbacks are: 5' at the rear, 4' at the front, and 3' on the sides.
7. November 96 Venture Out requested a variance on the setbacks: 3' on the rear, 4' on the front, zero feet non-patio side and 3' on the patio side.
8. March 97 the city responded granting requested side setbacks, but stated they couldn't grant the rear setback since there was a five-foot easement for utilities.
9. Setback requirements have been very clear since we were annexed. It was Venture Out's responsibility to enforce these setbacks. What is not clear is exactly what legal easement restriction exists. SRP operates under the easement rules. Venture Out & SRP seem to have been operating under the setback rules established in the cities letter of Dec. 95.
10. Just recently SRP took the position that a 10 foot easement existed to state their position on an issue.

There has been what I consider to be a misinterpretation of what the setbacks mean for corner lots. At sometime it was decided that if you took a corner lot and positioned a unit so that it's non-patio side was against what is commonly understood to be the rear lot line for the street it was okay to build over the easement. **IT IS NOT OKAY TO BUILD OVER AN EASEMENT**

Bottom line, Venture Out has been encroaching on the rear easement for a long time. Venture Out has made it increasingly difficult for the utility companies to maintain their lines due to our encroachment.

11. In 2005 SRP presented **"Venture Out Hazards and Encroachment Mitigation Options"** This plan, outlined five options.
 - a. **Primary Meter:** This means SRP would supply power to Venture Out and Venture Out would **Own and Maintain** internal power grid.
 - b. **12 KV Overhead;** SRP would provide a 12kv overhead backbone at no cost to Venture Out. Venture Out would pay for riser and service runs.
 - c. **12 KV Front-Lot underground:** SRP would install an under ground system if Venture Out paid for trenching and conduit.

- d. **Clear Existing Easement:** *If Venture Out clears the easement SRP will repair and maintain facilities at no cost to Venture Out.*
- e. **Day-to-day Fail/repair Maintenance:** SRP will address 12kv system failures on case-by-case bases. SRP will request easements be cleared at Venture Out/Residents cost.

On May 22, 2005 Venture Out signed an agreement selecting option “e”.

The committee met with SRP representatives on February 7, 2007. Venture Out expressed our desire to open up further discussion with SRP.

Venture Out has the option to choose and negotiate the term of one of the following two plans:

1. **“The New Millennium Venture Out Electrification Plan”** This plan would abandon the rear Utility Easement for a front lot easement. Normally SRP would require the customer to pay 100% of the cost, however since SRP agrees our situation is unique they would split the cost. SRP stated the cost would be well into the millions of dollars. We really do not have any firm estimates of cost but it will be very expensive. It is the committee’s opinion SRP really does not want to embark on this option. SRP has stated that the current failure rate of the system does not warrant total replacement. They stated given access to their easement they could maintain and provide the power required by Venture Out.

2. **“Venture Out Electric Facilities Encroachment Mitigation Plan.”**

Key Principles of Plan:

- a. Standards, policies and procedures will be implemented to allow for the continued use of rear-lot location of pedestals for instances where original design and easement prevails.
- b. Accept Mitigation Plan for easement encroachment to be cleared prior to new ownership of the property or Venture Out construction Permit approval whichever comes first.
- c. Accept payment for incremental cost to SRP to construct/operate/maintain in encroached easements until encroachments have been cleared.
- d. Continue least cost approach for cable replacements program.

We also stated that we could see no way Venture Out could accept the portion of Principle “b” that committed us to remove encroachment when ownership changed.

There is one other plan I would like to mention. It is titled by SRP **“Service Entrance Panel Hazardous Encroachment Plan.”** This is a plan to bring pedestals for 41 lots into compliance eliminating what SRP considers Safety and Service hazards. SRP’s agreed pedestals can remain in the rear of the lots. Cost to be borne by resident.

Summarizing, the activity with SRP is intense; we seem to be moving in the right direction. I am certain there will be many hurdles but if both parties negotiate in good faith they should be resolvable.

INFRASTRUCTURE COMMITTEE STATUS REPORT

03/15/2007

QWEST

The Infrastructure Committee is very aware of the deteriorating situation with respect to our telephone service. There are many lines on top of the ground, over driveways and across roads. Qwest acknowledges that the situation must be corrected. As with SRP, Qwest is a utility. That means Qwest is entitled to use the utility easements. It is impossible for Qwest's servicemen to professionally and efficiently repair failures. There are situations where residents have built structures over Qwest equipment and as you are all aware we have encroached on the easement.

Qwest has a plan to repair what they consider to be the most troublesome parts of their system. A month ago we met with Qwest. They presented a plan for repairing the 300 and 400 blocks. Their plan is to bore along the front of the lot and up the sides. They have said it would be at their cost. Venture Out agreed with the plan but requested we be given the opportunity to talk with SRP to see if a plan could be worked out that would benefit; Venture Out, SRP and Qwest. We have talked with SRP and they are not interested at this time.

A couple of days ago we talked with Qwest. They have reevaluated their original plan and would like to discuss another alternative, which they believe will be more cost effective for them. Qwest said the work would be completed prior to the start of next season. They said that residents may have some initial problems since they will not be able to fully check out the changes until the customer is available. They assured us they would respond quickly. Easements do not seem to be a Qwest concern at this time but it is important that everyone understands they have the right to the easement.

There will be dust, there will probably be some disruption of service, and their equipment will cause inconveniences to summer residents. I would ask everyone to be cooperative and understand. It is to Venture Out's benefit that the project goes smoothly.

WATER SEPARATION

We are currently having a company do a study of cost to separate our irrigation water. A previous study several years ago suggested we could save a substantial amount of money on our sewer cost if this was done. This needs to be re-evaluated next season. We need to understand very clearly what the savings will be and how long a payback period. Other than the cost study report, the project is on hold.

Submitted by Doug Gale, Chair
Infrastructure Committee