

Management Report
June 2008

1. The Pre-Qualified Landscaping Program has started off with strong enthusiasm. As of this time, we have 9 commercial landscape companies signed up with the program. As reported in the *Week Ahead Message* last Friday, we have at least 10 homeowner applications that have been processed. We have found that some neighbors are banding together to have this work performed. I must compliment Ed Froeliger, Judy Graydon and Morgan Cole for their conscientious efforts to create a reporting and inspection process to implement the program. As we suspected, HH staff will be required to guide, consult and inspect to ensure the common area guidelines are being followed. We continue to have high hopes in the success of this program.
2. By the time the Board meets this week, we will have held four resident focus groups regarding food and beverage. We are impressed with the feedback received from residents for their constructive comments. Along with Nico and myself, we typically have had at least two directors in attendance. Notes from these focus groups will become input for management. In addition, the notes will be used by a study group of residents with food and beverage experience being pulled together by Directors, Bedwell and Hash. Staff is busy developing concepts for new menus, operational hours and staffing issues.
3. Meetings are ongoing with staff and representatives from Marketing, Communications and the Board to prepare for the launch of an updated HOA website. It will have the look and feel similar to the marketing site at www.heritagehighlands.com. There are many things we hope to accomplish with the updated site. A few of the major driving premises to include: Better organization of materials; Ease of navigation (reach desired item in 2 clicks); and significantly reduce the topics and documents behind the secure password protected page. I am not putting an accelerated delivery date on this project because I want the update to be done professionally and thoroughly. The lead technical team on this project is Web Designer, Dana Hunter and Technical HOA Advisors, Loretta Jankowski and Steve Wacker.
4. Our Operating Support Team descriptions and rosters have been completed and issued to the Board in your files. These documents are also being placed on the HOA website for resident information.
5. The Activities Report from Aileen Fundingsland addresses recent support team discussions related to the possible adjustment of children swim hours during Spring Break and a proposal to open certain entertainment events to the general public for an additional fee. That proposal is also part of Aileen's report and we would hope to place this topic on an upcoming Board agenda.
6. Heritage has received notification from Tucson Water regarding reclaimed water rates adjustment effective July 7, 2008. Much to our surprise, we have been told there will be no increase in water usage charges at this time. Our current rate of \$1.60 per Ccf remains unchanged. However, there will be an increase in our monthly service charge for our reclaimed water meters. From the Golf side of our business, our 2' and 8' meters equate to \$86.79 per month or \$1041.48 annualized. This adjustment is much more palatable than any potential changes on the water usage side. Good News!
7. Fitness Center usage reported for the month of May is 3219 visits to the center. This number is within 100 of the number of member golf rounds for the same period. The new Fitness Center remains a strong component of our HOA services to the community.
8. For Directors information I will be in Indiana attending a wedding over 4th of July and out of the office July 3-7.

Jeff Ziegler, General Manager

Date 06.16.08