

MEMO FROM NORMAN MCCULLOUGH SCA VILLAS REPRESENTATIVE

A long time ago, Shirley Cheri told me that Don Manning (chairman of The Finance committee) NEVER blogged. I see today that Mr. Manning has broken his personal vow and has at last "blogged" on another website.

For many months I have tried to get Mr. Manning to answer a few questions, but his answer has all ways been in the past "It's a board matter" (if he gave an answer at all). Since Mr. Manning has now broken free from his long time commitment not to blog, I wonder now if he would also change his mind and answer some questions.

Please Mr. Manning, would you inform us all by answering the following questions? We would be most grateful.

1. On Sept. 29, 2005 the board of directors rejected the 2005 reserve study that had been paid for by Del Webb. Can you please tell us in some detail why this reserve study was so inaccurate and/or so incomplete that it was totally rejected by the board?
2. Did the finance committee examine the 2005 reserve study to make the determination that the reserve study was inaccurate and/or incomplete, and did the 2005 reserve study also include a physical inspection of all the reserved components? If so, was there any attempt to verify the quantities and the prices contained in the 2005 reserve study? Is there a "paper trail" we could have access to?
3. On Sept. 29, 2005 the board also "began the process" to order a new reserve study. (contracted by Diversified Facilities). Am I correct in assuming the new reserve study was paid for by Del Webb even though it was four months after the date of transition? Was the selection of Diversified Facilities a Del Webb decision, or a resident controlled board decision?
4. When the new reserve study was ordered from Diversified Facilities, why was Diversified NOT instructed to begin the reserve study on 1/1/2005, and why did it NOT include the most important Date of

Transition for Sun City Anthem (May 31,2005)? Was that an "oversight" by Del Webb or was that an "oversight" by the then resident controlled board of directors?

5. We are told by Jack Troia that the 2006 reserve study (conducted by Diversified Facilities) was a full reserve study that included a physical inspection of all the reserved items. This physical inspection had to be done some time between Sept 29, 2005 and Nov. 16, 2006. Can you tell us where the records of that physical inspection are? Diversified Facilities not only had to verify "count" (number of chairs etc), but "current condition" (an estimate of length of lifetime remaining on a reserved item). Are those records available? Was an inspection report generated by Diversified Facilities and turned over to the finance committee or RMI?
6. Were the items contained in the physical inspection report, reviewed and verified by your committee? According the the mission statement of the Finance committee, it should have landed on your desk at some point. Did you review and verify the physical inspection report, or was it Jack Troia and Favil West the "team" assigned by the board of directors?

I do have more questions Mr. Manning, but if you would please answer these six, I can work on some others.

Sincerely,

Norman McCullough