

August 28, 2016

To All Property Owners within the Consejo Shores Community,

There are some changes that will affect the community in the near future that Consejo Shores Ltd. (CSL) would like to share with you. Please take the time to read this email. Constructive feedback is welcome.

1. WATER:

Due to many factors, the water pressure from CSL supplied water has continued to decline over the last few years. Whether the decline is due to the system's age (leaking pipes that we are unaware of), the increase in usage due to the number of homes within the community, or the amount of rainfall that has been minimal for several years, the reality is that we have a problem. Additionally, our community continues to grow. Within the Relevant Developed Area (RDA) (See Attachment), there are 220 single family home sites; over 110 with homes already constructed (not including guest units).

Unfortunately, CSL cannot continue to supply water to all of the current recipients. The Consejo Village Council is currently working on solutions to develop an independent water supply for their community. CSL will donate our water supply infrastructure (underground pipes) located outside of Consejo Shores to assist the village. And, CSL expects to disconnect the Village water supply from Consejo Shores within the next few months (projected deadline is November 1, 2016). But, this is only a temporary "Band-Aid". The water supply system does not work efficiently, nor does the revenue collected from water recipients cover the continuing expenses of a declining system.

We strongly encourage all property owners to include cisterns/water containment systems during their construction process. Drilling of individual wells is also an option. At this time, drilling costs are approx. \$65. per foot.

As currently projected, CSL will cease the supply of all water to the Consejo Shores community by July 1, 2017. Please plan accordingly. We regret the inconvenience that this may cause to some property owners.

Presently, we do not have plans to discontinue water usage for construction, which is available at the golf course water tower. There is a usage fee of \$150.BZ per month for usage of this water. An access key is available at the CSL office.

2. CSL SALES, ADMINISTRATION AND MANAGEMENT

CSL will be continuing to reduce its Sales, Administration and Management services within the RDA of the community. Normally, when a development is 50- 65% sold out, the developer's obligations are finalized and the community supports itself through Home Owner's Ass. or service/maintenance fees. Right now, CSL owns 9 single-family parcels and 2 multi-use parcels, or 5% of the properties within the RDA. It is long over-due for CSL and the property owners

within the RDA to transition into a community-managed neighbourhood. Our projected date of termination of all CSL management and administration of community concerns within the RDA, remains on or before, July 1, 2017, as stated at the last meeting with Consejo Shores Parks and Roads Trust (CSPRTL) on July 5, 2016. (CSL is still awaiting results from the inquiry made to property owners by CSPRTL regarding property owners' interest in usage and payment of expenses associated with the community center, library and main entrance area.)

3. COMMUNITY MANAGEMENT

In 2010, CSL began to transition out of a fully CSL managed community. This began with the formation of CSPRTL. CSPRTL began their management of maintenance and upkeep of the parks within the RDA. These parks were specifically designated for the use by Consejo Shores residents. In 2014, CSPRTL's responsibilities also included upkeep of roads within the RDA. Since 2010, CSPRTL's obligations have been financially supported by receipt of all Annual Parks and Road fees and funds received from the Annual Consejo Shores Community Golf Tournament and Consejo Shores Ltd.

Now, the golf course appears to be under the governance of "Friends of Golf" (FOG). The CSPRTL Board of Directors current relationship with FOG is convoluted. CSL has repeatedly requested clarification of CSPRTL's relationship with FOG and an accounting of all funds generated by usage of the golf course that have been collected and retained by FOG. This includes funds generated from the Consejo Shores Community Golf Tournament held in February 2016 (estimated \$5,000. - \$6,000.) To date, neither CSL or the community has received a proposed usage agreement between CSPRTL and FOG nor an accounting of funds by FOG. CSL encourages a usage agreement with FOG, as long as it is within the community's best interests.

As currently structured, CSPRTL is governed by their Articles of Incorporation. These may have to be modified to transition into a fully community-managed (and supported) neighbourhood. Property owners may want to consider a community consensus decision-making process of management. An excellent resource to understand this process is available at <http://www.seedsforchange.org.uk/consensus> Community participation is essential for creation and implementation of a successful management plan. The time to begin is now.

4. CONSTRUCTIVE FEEDBACK

Our community is made up of a diverse group of people with many skills, knowledge and experience. Constructive feedback would be appreciated. All emails should also be copied to Consejo Shores Parks and Roads Trust at consejopnr@gmail.com . Also, please acknowledge receipt of this email. If you wish to change your contact information, please do so at this time.

Sincerely,
W.N. (Bill) Wildman
Carol Gabriel
Consejo Shores Ltd.
Phone: [501 423 - 1005](tel:5014231005)
www.consejoshores.com