

Building Repair & Painting Update from Rio Del Sol

Dear Rio Del Sol Owners -

On our last update regarding the building repair project it was announced that Ratliff Painting was hired to begin pressure washing building 7 last week. Ratliff entered the picture when they agreed to help our legal council by producing the bid needed to negotiate a settlement with APC. Finding out what it would cost to complete the project a year later was instrumental in the negotiations and helped facilitate a swift and favorable confidential settlement for Rio Del Sol. After the confidential settlement was finalized, Ratliff was awarded the job by unanimous written consent of the Board.

Unfortunately, last week, Ratliff Painting notified us that they lost key employees due to injuries and relocations. Unfortunately Lake Havasu City is not a place where an abundance of replacement workers are available, qualified, and ready to paint on a commercial project like ours. We believe that is one factor that may have led APC to leave our project in the condition that it was left in.

Ratliff has not quit as a result of their misfortunes, and they have agreed to fulfill the contract, however, the timing will be less than ideal for us. They have us scheduled to begin sometime in January, but if they can start earlier they will. If we find someone who can do it sooner and for the same price, they will step aside. Ratliff said many of their customers received the same notice of delay to fulfill a contract as we did, so some of their other customers will not wait, and cancel. Once that happens they'll have a better idea on exactly when they can start in January and if it can be sooner than January.

Although we cannot disclose the specifics of the confidential settlement, we can tell you that we will be able to finish this project with Ratliff with the amount of the loan obtained last year. We've paid ahead on the loan as we said we would, and as a result the interest charge the past 2 months was zero. As long as we keep paying down the principle of the loan, there will be little or no interest charges.

We are well aware and sympathetic to the condition of the 3 buildings painted, and the landscaping that cannot be replaced and properly addressed until the building repairs and painting is complete. We hope those that reside there only have to endure this condition for a few more months. Ratliff Painting is very well respected and received in this City and we have no reason to believe anything other than they will show up in January, if not sooner, and get us taken care of.

Rio Del Sol Board of Directors
