

Dear Homeowners,

I would like to begin my letter by wishing the very best for all of you in 2012. Another year busy but successful year is behind us! More than 2000 Maintenance Work Orders recorded in the system have been completed and many others were done without having a work ticket. As I mentioned at the January 1, 2012 Homeowner's Meeting, our focus has been the maintenance and efficiency our infrastructure and operation since the year 2006. As a result, we more than doubled the work tickets today when compared to the past. Over the past seven years, we have reduced our electric consumption in the common buildings by 44%, LR property insurance cost by 13%, employee benefit expense by 37% and the payroll expense by 2%. In spite of those reductions, we now have growing Reserves in both the Association and Tax district. There is no doubt that LR is moving in the right direction! I feel compelled to mention that the most important factor in achieving this success is having excellent boards all these years as well as continuity of leadership on the Board. I would like to mention that this is the 7th year Connie Ellner has served on the board, one as VP and six as President. This is not very common to see in the community association management field. As you can imagine it is not an easy job! Please join me in congratulating Connie for her long time commitment to Lakeridge.

We have been very lucky to have active committees as well. Our volunteers have put a tremendous of time and effort in order to make LR a better place to live for all of us. Another important factor is that we have good, dedicated employees who are the most important asset to LR. And last but not least, I must also mention our contractors. Their collective effort and team work have resulted in today's very positive financial numbers. However, we are well aware of that this couldn't be done without your support. Thank you for your continuous support, involvement, encouragement, and appreciation.

It is our goal to work even harder to maintain where we are and going forward make it even better. We will continue to focus on maintenance and upgrading LR's infrastructure and efficiency and in the mean time consider new projects or improvements for the Recreational Facilities which will make LR more marketable.

I would like to highlight what's going on at Lakeridge currently:

We are currently working on standby generator options for LR. The Board is considering two buildings for the generator either the West Lodge or the East Lodge. The feasibility report for the most convenient location of the generator will be presented to the Board in a couple of weeks. In the mean time we are also looking into alternative energy options such as wind turbines and solar PV for the common buildings. We will inform you as we receive more information about these options.

As I mentioned at the January 1st meeting, Cablevision has offered LR a \$ 68.00 monthly bulk rate for triple play service requiring 100% participation with a 7 year contract. However, according the CT AT&T President Rodney Smith, AT&T is planning to bring their U-Verse service to Torrington in about two years, which would provide high speed internet, phone and the TV services and be good competition for LR. Let's hope that this will happen.

Please be informed that we are in the process of working on the next year's budget. After the Finance Committee's review and the Board's approval, it will be mailed to you in the first week of April for your comments.

The roofing project is almost complete. 45 units have been completed and 5 units remain which will complete the project for this year.

Gutter Replacement project is continuing on the units following the roof replacement project.

West Lodge HVAC project is complete. Now we have **four zones** in the building which are completely computerized. We have some air infiltration issue in the indoor pool area and are in the process of replacing some doors/windows for this reason.

West Lodge and the East Lodge kitchen renovation projects are in the process. The floors and the cabinets are in place in the East and the West Lodge kitchens.

Two of the five swing doors have been replaced with a window panels at the far end of the indoor pool.

Stable electric sub panel installation project is in process. We are waiting for CL&P to supply power to the new electric pole so that we can run the power from the pole to the building with an additional 200amps electric panel. A new shelter for the horses has been built.

Next Year Snack Bar Operation: The Ad Hoc Committee is meeting with several vendors including George to discuss the next year's operation at the Snack Bar. Menu, service and food quality and price are under consideration.

Ski Lodge is open now. As you all know the weather has not cooperated much with making snow this season. At this time, only one slope is open, which is a disappointment for all of us. However, Maintenance is working hard to make more snow and fill the other slopes as well.

Smoke Detector Replacement commences next week for the last 108 units on the project starting from unit # 375.

Electric Panel Inspection work has been scheduled for February for the last group of units on this project.

Thank you