

**San Ignacio Vistas, Inc.
Homeowners Association
Minutes Board Meeting**

April 4, 2007

APPROVED by the Board via emails Apr 2007

Board Present: Marianne Bishop, Jim Chervenka, Bob Christensen and Geri Greb. Larry Engel from the Maintenance Committee. No homeowners were present. The agenda was approved with no additions.

1. **Consider/Approve Meeting Minutes** A MOTION was MADE, SECONDED and PASSED to approve the Minutes of the March 6 board meeting as distributed.

2. Consider/Approve Financial Reports

A MOTION was MADE SECONDED and PASSED approving the Financial Report to the Board. A MOTION was MADE SECONDED and PASSED to approve the Financial Report to the Homeowners (Attachment A).

3. Officer's Reports

A. Secretary

- Home on Desert Sunset sold, estimated to close on March 28
- A welcome letter for prospective homeowners was approved by the board and will be part of the package provided on CondoCerts. (Attachment B)
- Saguaro sent SIV homeowners communication with an incorrect phone number for their Service Center and they are in the process of making a follow-up mailing with the correct number.

B. President – (Attachment C)

4. Committee Reports

A. Architectural Committee has designated revolving chairs as follows:

| <u>MONTHS</u> | <u>ACTING CHAIR</u> | | |
|--------------------|---------------------|--------------------|--------------|
| April & May | Gorman Fisher | October & November | Arlene Hagen |
| June & July | Ann Noe | December & January | Bob Puttock |
| August & September | Geri Greb | February & March | TBD |

B. GVCCC Representative – (Attachment D)

C. Maintenance Committee

Jim Chervenka presented the report (Attachment E). Larry Engel presented credentials of Roy Erichsen and Roger Westrate, two retired engineers having a background in road construction, and who are doing consulting for various HOAs in Green Valley.

Jim Chervenka, on behalf of the Maintenance Committee, MOVED that no more than \$16000 from reserve funds be approved for the street repairs on Vista Ridge Court as identified in the attached specification and resultant quote from Sunland Asphalt. (Attachment F) SECONDED AND APPROVED

Jim Chervenka, on behalf of the Maintenance Committee MOVED that no more than \$200 be approved for joint consulting services (\$100 each) for Roy Erichsen and Roger Westrate to cover the next 12 months in order to develop a comprehensive plan for maintenance / repair of the neighborhood streets (crack sealing, curb sealing, street resealing) and curbs and sidewalks. SECONDED APPROVED

Jim Chervenka MOVED that no more than \$1800 from reserve funds be approved for a Reserve Study with Photographic Inventory to be performed by Association Reserves. Specifications and quote included as Attachment G. SECONDED AND APPROVED

5. **Trash and Recycle Committee**

Recycle bins are in the process of being delivered to the homeowners and WM will remove their bins by April 4. The first collection by Saguaro was on April 2 and went according to plan. All but three residents have contacted Saguaro and they are a follow-up mailing and/or phone calls will be made.

6. **Continuing Business**

Board meeting for May will possibly be cancelled, decision to be made in time to give proper notice to our Homeowners.

7. **New Business** – None

8. **Adjournment** - The meeting was adjourned at 10:30 AM.

Respectfully submitted,

/S/

Marianne Bishop, Secretary

Attachment A

SAN IGNACIO VISTAS, INC.
HOMEOWNERS ASSOCIATION

Statement of Financial Condition

Assets

| | |
|---------------------|---------------------|
| Operating Account | \$40,389.83 |
| Reserve Account | <u>197,389.95</u> |
| Total Assets | \$237,779.78 |

Liabilities

Fund Balances

| | |
|----------------------------|---------------------|
| Operating Fund Balance | \$40,389.83 |
| Reserve Fund Balance | <u>197,389.95</u> |
| Total Fund Balances | \$237,779.78 |

| | |
|----------------------------|----------|
| Reserve equity, per member | \$865.75 |
|----------------------------|----------|

2007 Revenue, Expenditures and Allocations

Revenues

| | |
|----------------------------|-----------------|
| Assessments | \$79,800 |
| Transfer and Document Fees | 400 |
| Operating Account Interest | 505 |
| Reserve Fund Interest | 1,506 |
| Other Income | <u>0</u> |
| Total Revenues | \$82,211 |

Expenditures

| | |
|------------------------------|-----------------|
| Administrative | \$5,606 |
| Maintenance | 8,600 |
| Other Operating Expenditures | 4,172 |
| Reserve Income Taxes | 527 |
| Reserve Project Costs | <u>526</u> |
| Total Expenditures | \$19,431 |

Reserve Allocation **\$26,620**

| | |
|-----------------------------------|-----------------|
| Revenue over Expenditures | \$62,780 |
| Memo: Operating Revenue over Exp. | \$62,327 |
| Memo: Reserve Revenue over Exp | 453 |

| | |
|--------------------------------------|-----------------|
| Net Increase in Fund Balances | \$62,780 |
| Memo: Change in Reserve Fund Balance | \$27,073 |
| Memo: Change in Op Fund Balance | \$35,707 |

- ✚ Operating Account balance of \$40,340 is held at Compass Bank primarily in a MMF.
- ✚ Reserve Account balance of \$197,340 is held at AG Edwards. The Account was enhanced by the \$26,620 Allocation for 2007 and \$1,505 of interest earned through March. Investments of \$182,000 (stated at cost) are primarily in CDs. Weighted average interest rate on our investments is 4.6%. The \$15,390 balance is in a MMF which is presently yielding 4.71%.
- ✚ The annual assessment of \$79,800 was collected in January. We collected \$400 of the budgeted \$4,500 in Transfer and Document Fees in through March. During the first quarter we have earned \$505 of the \$920 budgeted for Operating Fund Interest. We project \$8,500 of interest will earned in the Reserve Fund during 2007. Our investments pay interest semi-annually mostly in January/July or in June/December.
- ✚ Expenditures of \$18,378 through March are above the normal run rate of about \$4,900/month primarily because we paid our audit and membership fees for the year. In addition, we prepaid our internet hosting/registration fees and our record storage fee in January. In February we purchase QuickBooks Pro as recommended by our CPA. The first quarter also included a more active mailing program than is typical for the year as a whole. Through March we are \$858 over budget, all in the Administrative Expenditures account.
- ✚ Reserve Income Taxes are projected to total \$2,638 in 2007 including \$527 of 2006 FIT paid in March, plus \$703 of 2006 taxes to be paid the State of Arizona and \$1,408 of estimated payments on FIT for 2007 which will be paid in April.
- ✚ Reserve Allocation of \$26,620 was fully funded in January, as planned.
- ✚ The Change in Reserve Fund Balance of \$28,069 includes the \$26,620 Reserve Allocation plus the \$1,505 of Reserve Fund Interest less the expenditure of \$527 for taxes and \$526 for project costs.
- ✚ The Change in Operating Fund Balance of \$35,707 includes \$4,683 of operating funds carried forward from 2006, the collection of \$79,800 in Assessments plus \$400 in Fess and \$505 in Interest less the Reserve Allocation of \$26,620 and \$18,378 in Operating Expenditures.

Attachment B
San Ignacio Vistas, Inc.
Homeowners Association
P.O. Box 1150
Green Valley, AZ 85622-1150

PHONE: 520-625-4924

FAX: 520-625-5166

Welcome to San Ignacio Vistas! As a homeowner, you are also a member of the San Ignacio Vistas, Inc. Homeowners Association (SIVHOA).

Enclosed for your action are two forms. Please complete both forms and return them to us as soon as your property transaction closes.

1. **Homeowner Information Verification.** This will confirm your mailing address and provide telephone numbers in case of emergency. If you have one please provide an email address, as this will be very helpful in case we need to contact you quickly. Emails are sent by blind copy to protect your email address from mass distribution.

All information you provide will be held in strictest confidence and used solely for our correspondence with you.

2. **Age Verification Survey** as required by the US Department of Housing and Urban Development.

CondoCerts should have provided the following items to you prior to your closing. If you have not received these items, please advise our secretary, Marianne Bishop.

- The Bylaws
- Articles of Incorporation
- Homeowner Rules of the Association and Resolution of the Board regarding fines and penalties.
- The Covenants, Conditions and Restrictions (CC&Rs) for San Ignacio Vistas.
- Annual Meeting Minutes containing a financial report, current year's budget, and Board and Committee member contact information.
- Replacement-Reserve Fund Plan
- Acknowledgment letter for living in a Homeowner Association. - If you have not already done so, please sign and return this document to our secretary.

In addition to facilitating your closing, these documents will acquaint you with SIVHOA.

Each member of the Association is assessed a proportionate share of the total costs necessary to operate the Association. Dues are billed each year in early December and are due by January 1 of the following year. The 2007 assessment was \$350.

The Association maintains insurance on the Common Areas, which belong to the Association. Each owner or resident is responsible for coverage of their own home and lot, personal belongings, and personal liability coverage.

The principal contact for SIVHOA is as follows:

Marianne Bishop, Secretary -Treasurer
PO Box 1150
Green Valley, AZ 85622-1150
Telephone: (520) 625-4924
Fax: (520)625-5166
E-mail: info@sivhoa.org

Utility companies are listed on a separate sheet.

If you have access to the internet you might like to bookmark our web site www./sivhoa.org. In addition to Newsletters and meeting notices we post a wide range of information that will keep you current about what is happening in our Community.

I am also enclosing a **Change of Address form** for your use when you need to change your mailing address.

I hope you find this information helpful. Should you have any questions or need additional information please feel free to contact Marianne Bishop or me.

Once again, "Welcome to San Ignacio Vistas!"

Sincerely,

Robert W. Christensen, President

Encs.

UTILITY COMPANIES

Green Valley Water District
PO BOX 623
Green Valley AZ 85622-0623 520-625-9112

Pima County Wastewater Management (Sewer) 1-800-598-9449

Saguaro Environmental Services (Waste/Recycle) 1-888-909-2783
520-745-8820

Southwest Gas Corp. 520-889-1888
<http://www.southwestgas.com/>

Tucson Electric Power 1-800-628-8853
<http://www.tep.com/> 520-623-7711

TELEPHONE COMPANIES: (cable, internet and phone)

COX 1-800-229-6542
<http://www.cox.com> 520-884-0133

QWEST 1-800-244-1111
<http://www.qwest.com>

HOMEOWNER INFORMATION VERIFICATION San Ignacio Vistas Inc. Homeowners Association

All of the information provided will be held confidential and will be used solely for San Ignacio Vistas Inc. business. Please make sure to provide a **telephone number** for Green Valley as well as for any alternate address, and an email address if available, in case of an emergency. Thank you!

| | |
|---|---|
| Lot # | |
| Name(s) of Property Owner(s) | |
| Property Address | Green Valley, AZ 85614 |
| Phone Number | |
| E-mail address (used only for association updates) | |
| <i>Alternate Address</i> | |
| <i>Alternate Phone Number(s)</i> | |
| <p>Where would you like us to send</p> <p style="text-align: center;">Your current mail?</p> <p style="text-align: center;">In Green Valley from:</p> <p style="text-align: center;">Alternate address from:</p> | <p>(Check one)</p> <p>___ Property Address ___ Alternate Address</p> <p>If you will not be full-time residents of Green Valley and will have a set time at each address, please provide:</p> <p>_____ to: _____</p> <p>_____ to: _____</p> |

Please complete this sheet and mail to the Secretary of SIVHOA:

**San Ignacio Vistas, Inc.
PO BOX 1150,
Green Valley, AZ 85622-1150 or**

**you can email the requested data to: info@sivhoa.org
or phone: 520-625-4924**

Please check out our website: www.sivhoa.org

Attachment C President's Report

We are but six weeks removed from our Annual Meeting and we have much to take note of.

- ✚ Recently we let a contract to repair raised sidewalks. This work was recently completed at a cost of \$525.
- ✚ Several of our Board will be attending GVCCC sponsored training sessions on March 29.
- ✚ Shortly we will engage Sunland to repair the damage on Vista Ridge Court caused by the turning of heavy Waste Management vehicles. This will be a more substantial repair and cover a larger area than that of three years ago. The cost of this repair is expected to be less than \$16,000.
- ✚ To assist the Maintenance Committee with the oversight of the repairs at Vista Ridge Court we engaged Roy Erichsen, a retired PE who has 45 years of relevant experience, and Roger Westrate, also a retired PE.
- ✚ In April we plan to engage both Roy Erichsen and Roger Westrate as consultants at an annual cost of \$100 each to develop a comprehensive plan (Plan) for (1) sealing/repairing the cracks in our streets, (2) sealing the seams along our curbs and (3) for resealing our streets. The cost of these three projects could exceed \$60,000. The seal and repair of cracks and reseal of the streets is scheduled for 2008. The curb seal could be phased over 2 to 3 years.
- ✚ In May we also plan to engage Association Reserves to complete a comprehensive study (Study) of our assets and propose sufficient reserves to maintain those assets going forward. This "Study" will be available by September at a cost of less than \$1,800.
- ✚ In September both our Financial Advisory Committee and our Maintenance Committee will examine the Ericksen/Westrate "Plan" together with the Association Reserves "Study" and prepare recommendations to the Board for updating our Reserve Plan for 2007 and beyond.
- ✚ On April 2 Saguaro initiated service as our sole Refuse Removal Service Provider. Saguaro is committing lighter trucks to SIV and should reduce the wear and tear on our streets such as noted on Vista Ridge Court. Our thanks to Marianne Bishop and her team of volunteers for collecting and returning the old Waste Management recycle bins and distributing the new Saguaro bins.

Attachment D
GVCCC REPORT

GVCCC Board of Representatives Meeting

- Sonoma Community Association was voted in for membership in the GVCCC. They have 67 homes.
- The news that the Information Referral Services in Tucson is closing has temporarily halted the GVCCC's plans for a service to assist callers needing information or assistance in locating local social service agencies. A statewide 211 information line is in the works, but it is at least six months away.
- The Health and Human Services Committee is reactivating the Flu Pandemic Task Force. The Task Force is composed of health and human service agencies, first responders, and representatives from business and government. The group will develop systems for communication and cooperation that will be implemented should a pandemic flu occur.
- The 14th Annual Green Valley Health Fair will be held on Tuesday, March 20, at the GVR West Social Center from 8 a.m. to 2 p.m. Admission is free.
- At the February ARC meeting, initial plans were presented for a new retirement residence facility.
- Election of Officers:
 - Russ Symes, President
 - Bill Copland, Vice President
 - Tom Ward, Vice President
 - Barbara Plummer, Secretary
 - Stan Riddle, Treasurer
- Ray Carroll presented a report on Phase I of GV drainage repairs, There are seven repair sites, construction schedule between 12/06 to 4/07. Cost: \$586,000. Funding source = 2004 bonds.
- GV-Sahuarita Circulator Bus service had 246 hoardings in January and 251 in February. GV Mall is the largest pick-up area.
- Road construction in Green Valley
 - ✓ West Frontage Road will be done on April 9
 - ✓ East Frontage Road is in the design phase
 - ✓ Canoa interchange will start soon
 - ✓ Encanto & Frontage access lane to new homes (right turn lane) is in limbo
- There were 500 Community surveys sent out and 114 were returned thus far. It will be recapped by mid April.
- Senior Action Day – April 27, 2007

Attachment E Maintenance Committee Report

- The Association's regular landscaping contractor, Gold Canyon Landscaping addressed a request for tree trimming in the common area south of a house on the east end of Sonoran View Dr.
- Larry Ridley oversaw ongoing work by Gold Canyon on routine landscaping maintenance of the common areas. Work this month focused primarily on interior common areas and included cutting back of dead brittle brush, trimming of cactus, and "spring cleaning" of dead / damaged growth on the interior common areas and trimming of the palm trees at the Camino del Sol monument area. In addition, Gold Canyon completed work for now in the drainage collection basin located between View Ridge Drive and the I-19 West Frontage Road and north of the cul de sac at the end of Gloria View Court. Focus areas for the next month will be:
 1. continue work on trimming dead brittle brush, fallen cactus, etc. on interior common areas, and
 2. begin cutting new growth spring grass on interior common areas
- Larry Engel used two local consultants (Roy Erichsen and Roger Westrate) to prepare detailed specifications for an expanded scope of work to repair the damaged street area in the Vista Ridge Court cul de sac. The goal is to obtain a longer lasting repair since this area has been "patched" only three years ago.
- Bids for the revised specifications were obtained from three asphalt paving and repair vendors. Several members of the committee, along with the consultants, met to review the bids. Based on having the lowest price as well as meeting all specifications for the required work, the Maintenance Committee recommended the Board award the repair work to Sunland Asphalt. Specifications for the work and the quote are included herewith.
- Jim Chervenka obtained two requests for proposals from consultant firms to update and significantly expand the scope of our current 5-year reserve study. The updated study would cover a longer period (up to 30 years), review the scope, cost and timing of all elements included in the reserve plan, and make recommendations as necessary for future funding levels to ensure an appropriate reserve fund balance over time.
- Sam Eidson oversaw the completion of work by Custom Saw Cuts, Inc. to grind down the 9 previously identified ½ to 1-inch high spots on the sidewalks. The cost for the completed work was \$525 as per the quote.
- The next Maintenance Committee meeting is scheduled for April 16, 2007 at 9 am in the Mesquite Room at the Canoa Hills Social Center.



Phoenix - Tucson - Las Vegas - Bullhead City

PROPOSAL

PROPOSAL

Client: San Ignacio Vistas East
4785 S Prairie Hills Dr
Green Valley AZ 85614

Contact: Jim Chervenka
O: (520) 625-1143

Job: Vista Ridge Court
Vista Ridge Court
Tucson, AZ 85614

Date Written : 3/20/2007
Estimate Number: 13761
T-Line Number : UJ9A000VLN
Prepared By : Duane Huff

We propose to furnish all labor, material, and equipment necessary to complete the work as outlined below in accordance with the plans and specifications submitted herewith, to wit:

Asphalt and Base Removal, Install New Base Material and Pave

- 32-130 Make necessary sawcuts.
- 22-135 Remove approx. 2,340 square feet of existing asphalt and base material to a depth of 9" and 12". (per bid request specifications)
- 23-135 Construct a 9 inch and 12 inch Aggregate Base Course (ABC) on approx. 2,340 square feet. Add moisture and compact to grade.
If upon the Removal of the asphalt, it is found that structures exist below the asphalt such as concrete footings, abandoned pipes, metal supports, etc., an additional charge would be negotiated to remove these obstructions if they would impede or prohibit grade consistencies. Sunland Asphalt will not be held liable for any underground cables, electrical lines, water lines, or any other underground obstruction not buried to a depth less than 18" below the existing finished grade.
In the event that excavation depths must be increased, excavation and installation of additional ABC base material will be at a cost of \$50.95 (including tax) per cubic yard.
- 26-170 Pave approx. 2,340 square feet to a depth of 3" with 1/2" asphaltic surface course.

Sub Total : \$13,552.00

Seal Coat Repair Area

- 28-233 Power sweep/clean asphalt surface. (Approx. 2,340 Sq. Ft.) See specification sheet C-1
- 30-155 Furnish and apply two (2) coats of MasterSeal MTR at 0.18 gallons per square yard on approx. 2,340 square feet.
See specification sheet ABS-1.
(This proposal is based on performing the work in 1 sections.)
Adhesion or bonding of Seal Coat materials is not warranted in areas exposed to automotive fluids and/or other spills.

Sub Total : \$620.00

Sub Total : \$14,172.00

PMA 4401 County Tax : 561.92

GRV None City Tax : 0.00

Grand Total : \$14,733.92

No permits, fees, bonds, testing, surveying, engineering, mechanical/electrical work, concrete, striping, bumper blocks, signs (No signage of any kind, electrical signs of any kind, stop signs, handicap signage, warning or beware signs) weed killers, water meter, or staking in price unless noted in contract. There will be an extra charge based on time and material for the removal and replacement of dirt or soil if hardpan, saltpeter or caliche is found unless otherwise noted.

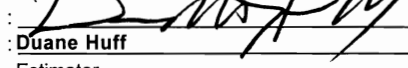
NOTE: This price is guaranteed if the work is completed by 5/31/2007. Due to extreme volatility in the world oil market, we are unable to lock in material costs beyond that date. Pricing will be adjusted to reflect material costs in effect at the time the work is to be performed.

ACCEPTANCE OF PROPOSAL

TERMS: NET 15 DAYS

The above prices, specifications and conditions are satisfactory and hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above. Sunland Asphalt may withdraw this proposal if not accepted within 30 days.

Sunland Asphalt

Authorized Signature : 
Name : **Duane Huff**
Designation : **Estimator**

Client

Authorized Signature : _____
Name : _____
Date : _____

ABS-1

C-1

SUNLAND ASPHALT TERMS AND CONDITIONS

All materials guaranteed to be as specified. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, and delays beyond our control. Owner to carry fire, tornado, and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance. All jobs are subject to prelien. Sunland Asphalt Terms and Conditions

Contractor hereby accepts the terms of the attached Contract subject to the provisions as defined on the Contract Agreement as well as the Owner's Agreement with the terms set forth in this Addendum. This Addendum is attached hereto and incorporated herein by reference. If any of the terms of the Contract are inconsistent with the terms of this Addendum, then this Addendum shall be controlling and the parties shall be bound by the terms and conditions of this Addendum.

1. PAYMENT

Contractor shall be paid a monthly progress payment within 15 days after receipt of the payment by the Owner for the value of work performed. Final payment, including all retention, shall be due 15 days after the work described in the Proposal is substantially completed. No provision of this agreement shall serve to void the Contractor's entitlement to payment for properly performed work.

2. INTEREST AND EXPENSES

All sums not paid when due shall bear an interest rate of 1 1/4% per month or the maximum legal rate permitted by law, whichever is less, and all costs of collection, including a reasonable attorneys' fee, shall be paid by Owner.

3. ATTORNEYS' FEES

In the event of litigation or collection efforts by Contractor, the prevailing party shall be reimbursed for its reasonable attorneys' fees, which shall include all costs that would normally be passed through to the client, specifically but not limited to research charges, travel costs, expert witness costs, copying costs, mailing costs, facsimile costs, had-delivery costs, Federal Express or Express Mail costs, taxable costs and disbursements.

4. CONTINUED PERFORMANCE

Nothing in this subcontract agreement shall require the Contractor to continue performance if timely payments are not made to Contractor for suitably performed work.

5. BACKCHARGES

No back charges or claim of the Owner for services shall be valid except by an agreement in writing by the Contractor before the work is executed, except in the case of the Contractor's failure to meet any requirement of the subcontract agreement. In such event, the Owner shall notify the Contractor of such default, in writing, and allow the Contractor reasonable time to correct any deficiency before incurring any cost chargeable to the Contractor.

6. WORK AREAS

Owner is to prepare all work areas so as to be acceptable for Contractor work under the contract. Contractor will not be called upon to start work until sufficient areas are ready to insure continued work.

7. TIME FOR PERFORMANCE

Contractor shall be given a reasonable time in which to commence and complete the performance of the contract. Contractor shall not be responsible for delays or default where occasioned by any causes of any kind and extent beyond its control, including but not limited to: delay caused by Owner, architect and/or engineers, delays in transportation, shortages of raw materials, civil disorders, labor difficulties, vendor allocations, fires, floods, accident hazardous waste or controlled substances and acts of God. Contractor shall be entitled to equitable adjustment in the subcontract amount for additional costs due to unanticipated project delays or accelerations. Contractor shall not be obligated to provide any labor or materials outside the scope of work unless Owner shall first agree in writing to equitably adjust the subcontract amount to be paid Contractor.

8. WORKMANSHIP

All workmanship is guaranteed against defects for a period of one year from the date of substantial completion of installation. This warranty is in lieu of all other warranties, express or implied, including any warranties of merchantability or fitness for a particular purpose. The exclusive remedy shall be that Contractor will replace or repair any part of its work which is found to be defective. Contractor shall not be responsible for special, incidental or consequential damages. Contractor shall not be responsible for damage to its work by other parties or for improper use of equipment by other Standard of industry practice and will override strict compliance and strict performance.

9. WORK HOURS

Work called for herein is to be performed during Contractor's regular working hours as agreed to by the Owner and the Contractor.

10. NOTICE

Any notice or written claim required by the contract documents to be submitted to the Owner, on account of charges, extras, delays, acceleration, or otherwise, shall be furnished within a time period, and in a manner to permit the Owner to satisfy the requirements of the contract documents, notwithstanding any shorter time period otherwise provided.

11. LIEN RIGHTS

Nothing in this agreement shall serve to void Contractor's right to file a lien or claim on its behalf in the event that any payment to Contractor is not timely made.

12. LABOR

Contractor shall not be bound by any of Owner's labor agreements (in whole or in part).

13. LIQUIDATED DAMAGES

The Owner shall make no demand for liquidated damages for delays in any sum in excess of such amounts as may be specifically named in this Addendum and no liquidated damages may be assessed against Contractor for more than the amount paid by the Owner for unexcused delays to the event actually caused by the Contractor.

14. SCHEDULE

Contractor shall submit a schedule to Owner, Owner will review and notify Contractor of any schedule conflict. If Contractor finds it necessary to change his schedule, owner will give his best effort to meet this change in schedule. Contractor shall not be penalized for non-performance and will be paid for work performed.

15. INSURANCE RESTRICTION

Notwithstanding any provision to the contrary, Contractor shall maintain the types and limitations on insurance as shown on the attached certificate of insurance. Contractor is not required to waive any claims or rights of subrogation against the Owner or any others for losses and claims covered or paid by Owner's workers compensation or general liability insurance. Acceptance of the Certificate of Insurance constitutes acceptance of the insurance of Contractor, including any additional insured requirements. In addition, Contractor shall not provide completed operations under an additional insured requirement.

16. INDEMNITY, HOLD HARMLESS RESTRICTION

Any indemnification or hold harmless obligation of the Contractor shall extend only to claims relating to bodily injury and property damage and then only to that part or proportion of any claim damage, loss or defect that results from the negligence or intentional act of the indemnitor or someone for whom it is responsible. Contractor shall not under any circumstance have a duty to defend. Nothing in this agreement shall require the Contractor to indemnify any other party from any damages including expenses and attorneys' fees to persons or property for any amount exceeding the degree Contractor directly caused such damages. Contractor shall not be responsible for fines or assessments made against Owner and Contractor. Contractor retains all rights of subrogation. Contractor will not indemnify anybody for any actions except for Contractor's own negligence and only in the proportional amount of their negligence.

17. RIGHT TO RELY

Contractor shall rely on plans, drawings, specifications and other information provided by Owner, Owner, Architect or representatives of each. Contractor assumes no risk for unknown or unforeseen conditions not evident from the plans, drawings, specifications or other information provided to Contractor.

18. HAZARDOUS WASTE

Contractor shall have no obligation to handle (that is, to remove, treat or transport) any substance which is considered hazardous waste or substance under state or federal law ("hazardous waste"). Handling hazardous waste shall be outside the scope of work of this agreement. Title to all hazardous waste shall remain with others and shall not be property of Contractor.

19. DISPUTE RESOLUTION

Final determination of contract compliance and all dispute resolutions shall be handled in the jurisdiction and venue of Maricopa County, Arizona, and be governed by the laws of Arizona.

Arizona Office
 4733 E. Firestone Drive
 Chandler, AZ 85249
 Tel. 480/361-5340
 800/393-7903
 Fax 480/634-4616

DJvlaming@ReserveStudy.com
www.ReserveStudy.com



Corporate Office
 Calabasas, CA
Regional Offices
 Huntington Beach, CA
 San Francisco, CA
 Honolulu, HI
 Las Vegas, NV
 Seattle, WA
 Denver, CO

Levels of Service Selection Guide

Sound business judgment and Generally Accepted Accounting Principles (GAAP) encourage associations to annually evaluate and adjust their Reserve Study due to the natural, physical and financial conditions that change in the association. Some states have additional legal requirements to comply with. To help associations in this process we have formulated the following service guide:

Level I: "Full" Reserve Study:

This is our most comprehensive product, designed for associations performing a Reserve Study for the first time or for associations with concerns about the accuracy of their Reserve Component List and measurements. A thorough site inspection is performed to develop the Reserve Component List (Component Description and measurements, Useful Life, Remaining Useful Life and Replacement Cost), summarized with a printed color photographic inventory. Following this Physical Analysis we perform a Financial Analysis and evaluate the current Reserve Fund Strength, and recommend an on-going Reserve Funding Plan, compiled all together into an easy-to-understand Report.

Level II: "Update With Site Visit" Reserve Study:

This product is for associations confident their Reserve Components and measurements are accurately recorded. This service is a good choice if there is a large or complicated list of Reserve Components, the association is approaching or just finishing major projects, or if there has not been a reliable on-site inspection within the last three years. An on-site inspection is performed to update existing life and cost figures, but not to re-quantify all components, and is summarized with a printed photographic inventory. From this updated Physical Analysis information we prepare the Financial Analysis and assemble a useful planning document.

Level III: "Update No Site Visit" Reserve Study:

This product also is for associations confident their Reserve Components and measurements are accurately recorded, but who due to mild weather, minimal Reserve projects, or a simple set of Reserve Components do not feel an on-site inspection is necessary to accurately update existing life and cost factors. In this product we update the Reserve Component List based on interviews and a review of association information, not an on-site inspection. From this updated Analysis information we prepare a Financial Analysis which cost-effectively gives useful budget guidance.

Level IV: "Do-it-Yourself Kit" Reserve Study:

This is designed as a "first-time" product for cost-conscious associations capable of compiling their own Reserve Component List, or as a very cost-effective "update" product for associations capable of establishing current life and cost factors from their existing Reserve Component List. In this \$349 product (\$299 for Updates), we perform the Financial Analysis and prepare the Report based on the Reserve Component List of information the client has compiled with the help of our workbook.

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March 27, 2007

San Ignacio Vistas HOA
 c/o Mr. Jim Chervenka
 Board of Directors
 P.O. Box 1150
 Green Valley, AZ 85622-1150

Assoc. #15861-0a

Subject: Reserve Study Proposal for 228 units in Green Valley, AZ

Dear Jim:

We are pleased to present you with a number of Reserve Study options, designed to provide you with the exact "Level of Service" needed by your Association at this time:

| Product | What We Do... | What You Get... | --- Turnaround --- | | |
|------------------------------------|---|---|--|---------------------|-----------------|
| | | | Economy 12 weeks | Standard 7 weeks | Rush 3 weeks |
| Level I: Full | Perform Site Inspection. Develop component list, life, and cost estimates from scratch. Perform Analysis. | Reserve Study with Photographic Inventory | \$1,780.00 | N/A | N/A |
| Level II: Update With-Site | Perform Site Inspection. Update life & cost estimates from most prior Reserve Studies. Perform Analysis. | Reserve Study with Photographic Inventory | \$1,420.00 | N/A | N/A |
| Level III: Update No-Site | Update life & cost estimates from most prior Reserve Studies. Perform Analysis. | Reserve Study | \$640.00 | N/A | N/A |
| Level IV: Do-It-Yourself Kit | Perform Analysis using life & cost estimates provided by client with help of workbook. | Reserve Study | \$349.00 - 1 week turnaround (payable at time of order) | | |

We offer year-round customer support and the quality and readability that comes from our experience performing approximately 1,000 Reserve Studies annually! Consulting services, Board meetings, and presentations are also available on an hourly basis.

Simply call us with your selection, or circle your selection above and notify us by FAX or mail. This proposal is valid for 90 days.

Sincerely,

Accepted by: _____

D.J. Vlaming, R.S.
 President

Date: ____ / ____ / ____