

  
**VILLAGES**  
AT QUEEN CREEK  
Homeowners Association  
Board of Directors Meeting - Open Session  
Thursday, January 26, 2012  
Agenda

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**I. Call to Order/Introductions**

**II. Open Homeowner Forum**

- Homeowner Request for Streetscape Tree Removal
- Dog Barking
- Minors in the Fitness Center
- *Homeowners will also be given the opportunity to discuss each agenda item prior to Board decision.*

**III. Review and Approval of Previous Meeting Minutes**

- November 17, 2011 Open Session (Approval by the Board)
- December 1, 2011 Annual Meeting & Organizational Meeting (Approval by the Members)

**IV. Treasurer's Report**

- November & December (Draft) 2011 Financial Report

**V. Committee Reports**

- Committee Membership - Discussion regarding eligibility of residents who are not homeowners
- Architectural Committee
  - November 19, 2011, December 20, 2011 & January 19, 2012 Meeting Minutes
  - Architectural Committee recommendations for Resolutions for homeowner submittal deadline and meeting attendance guidelines for members.
  - Accept Charles Montgomery's resignation
  - Appoint Terri Lehman & Joyce Schaffer as Co-Chairs
  - Appoint Joe Witherow, Todd Sautter & John Haman as continuing members for 2012
  - Review volunteer letters from Robert Ley & Rudy Cannon
- Budget/Finance Committee
  - December 21, 2011 & January 16, 2012 Meeting Minutes
  - Removal of Vernita Gilbert
  - Review volunteer letters from Michael Semke & John MacFarlane
- Landscape Committee
  - Accept Chris Baesen's resignation
  - Review volunteer letter from Robert Ley
- Newsletter Committee
  - Review volunteer letter from Shirley Lind
- Oversight Committee
  - January 17, 2012 Meeting Minutes
- Social Committee
  - Schedule "The Gathering" (April 28<sup>th</sup>?)
  - Schedule "Our Thanksgiving" (November 3<sup>rd</sup>, 10<sup>th</sup> or 17<sup>th</sup>?)
  - Schedule Community Garage Sales
  - Name the parks contest in the next newsletter?

**VI. Contract Reports**

- Management Report - AAM
- Landscape Report - H&N

**VII. Unfinished Business**

- Clubhouse Meeting Room Guidelines Resolution (Guidelines approved at 11/17 Meeting)
- Security Camera Monitoring Policy
- Additional Signs (Clubhouse & Pool) - *Ratify Approval*
- Horseshoe Pits Proposals
- *Any other unfinished business?*

**VIII. New Business**

- Parcel 2 Reserve Study - *Ratify Approval*
- Pool Heating Schedule Discussion/January Pool Heating - *Ratify Approval*
- Village Loop & Sierra Park Tot Lot - Drywell Installation & Agreement w/ Town of Queen Creek
- Tot Lot Repairs (Obtain Additional Bids?)
- Basketball Tot Lot Shade Canopy Repair & Replacement Proposals (Obtain Additional Bids?)
- Basketball Tot Lot Drainage Repair Proposal
- Parking Patrol Contract
- Increased Gopher Contract
- One Time Extensive Gopher Treatment Proposal
- Fitness Center Quarterly Preventative Maintenance Contract
- Fitness Equipment Cable Attachment Proposal
- Fitness Center Television - Cox Cable & Direct TV Pricing
- Block Wall Repair Proposals
- Clubhouse Replacement Doors Proposal (Entrance, Entrance to Pool, Fitness Center & Meeting Room Patio)
- Clubhouse Meeting Room Doors Installation Proposals
- Shade Structure Pole Pads Proposal
- Pool Area Additional Umbrella & Stand Proposal
- Additional Clubhouse Outside Lighting Proposals
- Clubhouse Meeting Room Fee/Insurance Exceptions
- Benefited Parcel 2 (Village Estates) Budget
- Remove Mirrors from Meeting Room?
- *Any other new business?*

**IX. Adjournment**

**The Villages at Queen Creek Homeowners Association  
Board of Directors Meeting**

**The Villages at Queen Creek Clubhouse - 21515 E. Village Loop Road, Queen Creek, AZ 85242  
November 17, 2011**

**1. Call to Order**

- President Bill Lehman called the meeting to order at 7:05 p.m. Also in attendance: Larry Murphy, Vice President; Bruce Ervans, Treasurer ; Sharron Owen, Secretary; Brett Ferguson, Director ; Cindy Anderson, Community Manager, AAM.

**2. Open Homeowner Forum**

- Homeowners were given the opportunity to discuss each agenda item prior to Board decision.

**3. Review & Approve Minutes - October 27, 2011**

- Without objection, the Board agreed to accept the October 27, 2011 Open Session meeting minutes as presented.

**4. Treasurer's Report - October 2011**

- Bruce reviewed the October 2011 Financials which were also provided in the homeowner's meeting packets.

**5. Committee Reports**

- Architectural Committee  
Next Architectural Committee meeting is scheduled for November 19<sup>th</sup> at 1:00p.m.
- Budget/Finance Committee  
The Budget/Finance Committee meeting was held as scheduled on November 16<sup>th</sup>, minutes were not available yet for review.

**6. Contract Reports**

- Management Report - AAM  
Community Manager Cindy Anderson gave the Management Report.

**7. Unfinished Business**

- Transfer Fees (*Recommendation from the Budget/Finance Committee*)  
The Budget/Finance Committee recommends that the Board of Directors obtain a legal opinion, not to exceed \$300, regarding the new limitations on Transfer Fees pursuant to SB 1149. The committee would like an opinion on if the Association's Transfer Fee may be increased from \$50 to \$120 with \$50 allocated to the Operating Account and \$70 allocated to the Reserve Account.  
Bill made a motion to obtain a legal opinion, not to exceed \$300, as recommended by the Budget/Finance Committee with regards to increasing the Transfer Fee. Bruce seconded the motion. The motion carried.

**8. Contract Reports (*continued*)**

- Landscape Report - H&N  
Supervisor Austin Witzel gave the landscape update including discussing the recent replacement of 150 dead trees in streetscapes as warranted by H&N Landscape. Austin also discussed issues with "stink-weed" growing through a lot of the Desert Carpet plants throughout the community.

**9. Unfinished Business (*continued*)**

- Painting of Pool Pillars & Walls - *Ratify Approval*  
Bruce made a motion to ratify the approval of the painting of the pool pillars and walls at a final cost of \$3,590.00. Brett seconded the motion. The motion carried.

- Security Camera Monitoring & Policy - *Discussion*  
Discussion took place regarding creating a policy. Cindy is to poll other community managers to see if they have any Associations with a Security Camera Monitoring Policy. Cindy is to report back at the January meeting.
- Clubhouse Meeting Room Revised Rules & Fees  
Discussion took place regarding the draft revised policy. Concerns were voiced regarding charging homeowners for occasional private parties or social gatherings.  
Bill made a motion to adopt the Clubhouse Meeting Room Revised Rules & Fees with the following charges: 1.) homeowners/residents will not be charged an hourly rate for occasional parties and/or social gatherings, however all other rules will apply, 2.) lines will be added for the individual renting the meeting room to initial the first two rules on the front page. Brett seconded the motion. The motion carried.

## 10. New Business

- Clubhouse/Pool/Fitness Center Usage Restrictions, Additional Signage & Fees for Violations (Discussion)  
-Bill made a motion to approve 3 signs for the pool gate which cite the gate closure statute at a cost not to exceed \$100.00. Bruce seconded the motion. The motion carried.  
-Cindy is to obtain proposals for the installation of locking doors on the meeting room and a key-lock on the storage closet.
- Board Requested Change Order from Raven Pools - *Ratify Approval*  
Bill made a motion to ratify the approval of the Board requested change order from Raven Pools for \$2,392.67. Bruce seconded the motion. The motion carried.
- Adjust Fence Shepherd Hook by Golf Restaurant, Replace Door Handles & Misc. Upgrades - *Ratify Approval*  
Bruce made a motion to ratify the approval of the adjustment of the fence shepherd hooks by golf restaurant, replace the door handles and miscellaneous upgrades by Sun King Fencing at a cost of \$954.45. Brett seconded the motion. The motion carried.
- Revised Pool Plant & Granite Plan - *Ratify Approval*  
Sharron made a motion to ratify the approval of the revised pool plant and granite plan from H&N Landscape at a cost of \$3,251.15 which was a \$585.40 increase over the original plan due to the addition of larger and more plants. Larry seconded the motion. The motion carried.
- Pool Tree Removal - *Ratify Approval*  
Sharron made a motion to ratify the approval of the pool trees removal bid from H&N Landscape at a cost of \$500.00. Brett seconded the motion. The motion carried.
- Clubhouse Signs - *Ratify Approval*  
Sharron made a motion to ratify the approval of the purchase of 35 various clubhouse, pool and parking lot signs from FastSigns at a cost of \$1,307.78. Larry seconded the motion. The motion carried.  
Cindy is also to order 2 signs for the meeting room stating the maximum occupancy (40).
- Concrete Removal for Repair of Irrigation (Parcel 11A, Lot 5) - *Ratify Approval*  
Bruce made a motion to ratify the approval of the concrete removal and irrigation repair at parcel 11A, lot 5 from H&N Landscape at a cost of \$629.12. Brett seconded the motion. The motion carried.  
Cindy is to follow up with Austin for alternative cost efficient options for the under-sidewalk irrigation repairs.
- 2011 Audit - CPA Engagement Letter from Ginsburg & Dwaileebe CPAs  
Bill made a motion to accept the engagement letter from Ginsburg & Dwaileebe CPAs. Bruce seconded the motion. The motion carried.

- Bill gave updates on the following items:
  - Traffic light installation on Village Loop Road South is scheduled to take place in early 2012.
  - Drywell installation in the drainage area near the tot lot by parcel 7, off of the Sierra Park entrance is scheduled to take place in early 2012 with the assistance of the Town of Queen Creek. The Town will also be installing flapper valves on the wash side of the drainage area to assist in not allowing water to come through that area.
  - The Rancho del Rey assessment amendment has been executed.

#### **11. Adjournment**

- There being no further business to discuss, Bill adjourned the meeting at 8:45 p.m.

Respectfully Submitted By,

*Cindy Anderson*

Cindy Anderson

Recording Secretary

For the Board of Directors

The Villages at Queen Creek Homeowners Association

**THE VILLAGES AT QUEEN CREEK HOMEOWNERS ASSOCIATION, INC.**  
**The Villages at Queen Creek Community Clubhouse**  
**21515 East Village Loop Road North, Queen Creek, Arizona 85142**  
**Thursday, December 1, 2011, 6:00PM**

***2011 Annual Meeting of the Members***

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**1. Call to Order/Introductions**

President Bill Lehman called the meeting to order at 6:15 p.m. Vice President Larry Murphy, Treasurer Bruce Ervans, Secretary Sharron Owen and Director Brett Ferguson were in attendance. Community Manager Cindy Anderson and AAM's Vice President of East Valley Operations/Area Manager Carla Helmstadter were also in attendance.

**2. Verification of Quorum**

-The quorum requirement is 20% of the 1744 lots which is 349 ballots. Pursuant to the Governing Documents, voting rights may be suspended for delinquent accounts. There were 183 accounts eligible for suspension of voting rights, bringing the quorum to 312 (*1744 lots - 183 delinquencies = 1561 lots x 20% quorum requirement = 312 ballots required for revised quorum*). Cindy and Bill confirmed receipt of 320 ballots.

-At this time Bill called for volunteers to assist in counting ballots. Rudy Cannon, Ken Fletcher and Diane Van Horn volunteered to assist.

**3. Review of Last Annual Meeting Minutes**

The 2010 Annual Meeting minutes were provided and reviewed.

**4. Financial Review**

Bruce reviewed the October Year To Date Financials as well as a comparison chart including the Year To Date Actuals, Annual Budget and 2012 Budget.

**5. President's State of the Association**

Bill gave the President's State of the Association and discussed projects completed in 2011 as well as upcoming projects.

**6. Vendor Reports**

-Cindy Anderson, Community Manager, AAM provided a Scope of Service and gave a brief update.

-Shane Sayre, Vice President, Raven Pools gave an update on the pool interior and deck project. Shane was also presented with a "*Villages at Queen Creek HOA Preferred Vendor*" fleece jacket from the Board of Directors in appreciation of his continued dedication and hard work for the Villages.

-Austin Witzel, Landscape Supervisor, H&N Landscape gave an update on the common area landscape maintenance. Austin was also presented with a "*Villages at Queen Creek HOA Preferred Vendor*" fleece jacket from the Board of Directors in appreciation of his continued dedication and hard work for the Villages.

**7. Volunteer Appreciation**

-Certificates of Appreciation and \$25 American Express Gift Cards were awarded to the following:

Bill Fischbach, Social Committee; Mindy Durall, Social Committee; Todd Sautter, Architectural Committee; Joe Witherow, Architectural Committee; John Haman, Architectural Committee; Dennis Lorbeske, Architectural Committee; Joyce Schaffer, Architectural Committee; Lori Kuhuski, Former Architectural Committee; Terri Lehman, Architectural Committee & Oversight Committee and Jim McLees, Oversight Committee.

-Certificates of Appreciation and "*Villages at Queen Creek*" fleece jackets were awarded to the following:

Larry Murphy, Vice President, Board of Directors & Chair of the Budget/Finance Committee; Bruce Ervans, Treasurer, Board of Directors, Chair of the Oversight Committee and member of the Budget/Finance Committee; Sharron Owen, Secretary, Board of Directors; Brett Ferguson, Director, Board of Directors and Bill Lehman, President, Board of Directors.

## 8. Candidate Introductions

- Candidates Bill Lehman, Larry Murphy, Bruce Ervans and Sharron Owen gave brief speeches on their reasons for running for election.
- Bill called for any nominations from the floor or write-in candidate introductions, there were none.
- Bill called for any remaining ballots from the floor.

## 9. Answers to Questionnaires/Open Discussion/Ballot Raffle

- Answers to questionnaires were provided in the homeowner meeting packets and were reviewed by Bill.

- Ballot Raffle Winners:

### **Twosomes of Las Colinas Golf**

Burton & Jacquelyn Binenfeld , Connie & Richard Mendonsa , Timothy & Eva Wickersheim , Michael Boken , Gary & Sharon Jennings , Jeffery Biddle & Jan McClain, Jennifer Taplin, Margaret Burt, Walter & Brenda Grigas, Susan Sheridan

### **Two \$25 American Express Gift Cards from H&N**

Mitchell & Kelly Bradford, Robert Barr & Teresa Lui

### **\$50 Visa Gift Card from Raven Pools**

Michael & Therese Lujan

### **\$75 Trophy's Steakhouse Gift Card from Servecor**

Mike Geidel

### **Initial Pest Control Service Treatment from Jaxpro**

Kyle & Katie Jackson

### **Heating Unit Preventative Maintenance Visit from Angel Air**

Peggy Bedore Rodgers

### **\$25 American Express Gift Card from The Villages**

Roy & Roxane Rudick , Sumii Daikai, Tanya & George Luther, Franklin & Jacqueline Olmstead, Sam Jarjice

## 10. Election of Directors

- Election Results: Sharron Owen, 304 votes; Bill Lehman, 303 votes; Bruce Ervans, 296 votes; Larry Murphy, 293 votes; Mindy Durall, 12 votes; Teri Bisciegli, 4 votes; Ken Fletcher, 4 votes; Dan Cookston, 2 votes; Ken Crouch, 1 vote; Jeff Brown, 1 vote; Larry Brook, 1 vote; Jason Corman, 1 vote; Sean Casey, 1 vote; Bill Fischbach, 1 vote; Rick Lewis, 1 vote; Ben Limon, 1 vote; CA Evenich, 1 vote; Ron Dykstra, 1 vote; Todd Sautter, 1 vote; Alex Fotte, 1 vote; David Ellsworth, 1 vote; Brian Schaderback, 1 vote.
- Sharron Owen, Bill Lehman, Bruce Ervans, Larry Murphy and Mindy Durall were elected to the Board of Directors.

## 11. 2012 Meeting Schedule

Board of Directors meetings will be held the last Thursday of each month excluding December.

## 12. Adjournment

There being no further business to discuss, Bill adjourned the meeting at 7:27 p.m.

Respectfully Submitted By,

*Cindy Anderson*

Cindy Anderson, Recording Secretary

For the Board of Directors, The Villages at Queen Creek Homeowners Association

**THE VILLAGES AT QUEEN CREEK HOMEOWNERS ASSOCIATION, INC.**  
**The Villages at Queen Creek Community Clubhouse**  
**21515 East Village Loop Road North, Queen Creek, Arizona 85142**  
**Thursday, December 1, 2011**

***Organizational Meeting***

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**1. Call to Order/Introductions**

Bill Lehman called the meeting to order at 7:40 p.m. Larry Murphy, Bruce Ervans and Sharron Owen were in attendance. Community Manager Cindy Anderson was also in attendance. Newly elected member Mindy Durall was absent.

**2. Board of Directors Terms**

Without objection, Bill accepted the 3 year term, Sharron accepted the 2 year term, Bruce accepted the 2 year term, Larry accepted the 1 year term and the remaining 1 year term was assigned to new member Mindy.

**3. Board of Directors Officer Positions**

Bill made a motion to assign the following positions: Bill Lehman, President; Larry Murphy, Vice President, Bruce Ervans, Treasurer; Sharron Owen, Secretary; Mindy Durall, Director. Bruce seconded the motion. The motion carried.

**4. 2012 Meeting Schedule**

Board of Directors meetings will be held the last Thursday of each month excluding December. Executive Session begins at 6:00 p.m. (unless the agenda calls for an earlier start time). Open session begins at 7:00 p.m. Meeting schedule is as follows: January 26<sup>th</sup>, February 23<sup>rd</sup>, March 29<sup>th</sup>, April 26<sup>th</sup>, May 31<sup>st</sup>, June 28<sup>th</sup>, July 26<sup>th</sup>, August 30<sup>th</sup>, September 27<sup>th</sup>, October 25<sup>th</sup> & November 29<sup>th</sup>. The Annual Meeting will be held on Thursday, December 6<sup>th</sup>.

**5. Adjournment**

There being no further business to discuss, Bill adjourned the meeting at 8:06 p.m.

Respectfully Submitted By,

*Cindy Anderson*

Cindy Anderson, Recording Secretary

For the Board of Directors, The Villages at Queen Creek Homeowners Association

12/08/2011  
10:32 AM

327c Villages at Queen Creek Homeowner Association  
Balance Sheet  
11/30/2011

1600 W. Broadway Rd  
Suite 200  
Tempe AZ 85282

Acct #

ASSETS

|      |                           |              |
|------|---------------------------|--------------|
|      | OPERATING FUNDS           |              |
| 1100 | Operating Checking        | 14,547.12    |
| 1103 | Operating Savings         | 591.17       |
| 1120 | Petty Cash                | 500.00       |
|      |                           | -----        |
|      | TOTAL OPERATING FUNDS     | 15,638.29    |
|      | RESERVE FUNDS             |              |
| 1150 | Reserve Fund Savings      | 154,513.13   |
|      |                           | -----        |
|      | TOTAL RESERVE FUNDS       | 154,513.13   |
|      | OTHER ASSETS              |              |
| 1200 | Accounts Receivable       | 295,640.30   |
| 1201 | Less Reserve for Bad Debt | (267,538.92) |
| 1250 | Prepaid Expenses          | 21,500.00    |
|      |                           | -----        |
|      | TOTAL OTHER ASSETS        | 49,601.38    |
|      |                           | -----        |
|      | TOTAL ASSETS              | 219,752.80   |
|      |                           | =====        |

LIABILITIES

|          |                         |            |
|----------|-------------------------|------------|
|          | LIABILITIES             |            |
| 2001     | Accounts Payable        | 4,085.04   |
| 2001.012 | Collection Fees Payable | 10,810.18  |
| 2003     | Accrued Expenses        | 7,783.88   |
| 2005     | Prepaid Assessments     | 41,987.16  |
| 2006     | Deferred Assessments    | 68,048.13  |
|          |                         | -----      |
|          | TOTAL LIABILITIES       | 132,714.39 |

EQUITY

|      |                                |             |
|------|--------------------------------|-------------|
| 3501 | Members' Equity - Prior Years  | 103,228.30  |
|      | Current Year Surplus/(Deficit) | (16,189.89) |
|      |                                | -----       |
|      | TOTAL EQUITY                   | 87,038.41   |
|      |                                | -----       |
|      | TOTAL LIABILITIES & EQUITY     | 219,752.80  |
|      |                                | =====       |

3270 The Villages at Queen Creek Homeowners Associ  
Budget Comparison Statement  
11/30/2011

| Acct #    | Description                    | Nov Actual | Nov Budget | Nov Variance | Jan-Nov Actual | Jan-Nov Budget | Jan-Nov Variance | Annual Budget |
|-----------|--------------------------------|------------|------------|--------------|----------------|----------------|------------------|---------------|
|           | INCOME                         |            |            |              |                |                |                  |               |
| 4005      | Assessments                    | 66,346.09  | 66,105     | 241.59       | 728,248.65     | 727,150        | 1,099.15         | 793,254       |
| 4011.001  | Satellite Association Assessme | 1,570.99   | 1,571      | 0.00         | 17,280.92      | 17,281         | 0.03             | 18,852        |
| 4012      | Builder Assessments            | 190.38     | 230        | (39.98)      | 2,182.21       | 2,534          | (351.75)         | 2,764         |
| 4020      | Working Capital Fees           | 0.00       | 0          | 0.00         | 692.60         | 0              | 692.60           | 0             |
| 4026.01   | Self Help                      | 0.00       | 300        | (300.00)     | 225.00         | 3,300          | (3,075.00)       | 3,600         |
| 4090      | CC&R Violation Fees            | (466.38)   | 1,250      | (1,716.38)   | 19,998.82      | 13,750         | 6,248.82         | 15,000        |
| 4106      | Legal Fee Reimbursement        | 774.50     | 2,744      | (1,969.50)   | 13,476.30      | 30,179         | (16,702.70)      | 32,923        |
| 4106.003  | Legal-Small Claims             | 0.00       | 1,625      | (1,625.00)   | 181.65         | 17,875         | (17,693.35)      | 19,500        |
| 4106.01   | Legal Reimb - Demand           | 0.00       | 2,875      | (2,875.00)   | 2,680.00       | 11,500         | (8,820.00)       | 11,500        |
| 4106.02   | Legal Reimb - Lien             | 0.00       | 0          | 0.00         | 1,927.24       | 5,400          | (3,472.76)       | 5,400         |
| 4109      | Gate/Key Income                | 125.00     | 100        | 25.00        | 1,750.00       | 1,100          | 650.00           | 1,200         |
| 4110      | Late Charges                   | (220.61)   | 0          | (220.61)     | 12,977.04      | 20,000         | (7,022.96)       | 20,000        |
| 4111      | Social Income                  | 725.00     | 0          | 725.00       | 1,715.00       | 0              | 1,715.00         | 0             |
| 4125.001  | HOA Transfer Fees              | 1,200.00   | 1,000      | 200.00       | 13,175.00      | 11,000         | 2,175.00         | 12,000        |
| 4126      | Clubhouse Rental               | 0.00       | 100        | (100.00)     | 2,720.00       | 1,100          | 1,620.00         | 1,200         |
| 4141      | Insurance Claim Income         | 0.00       | 0          | 0.00         | 3,865.39       | 0              | 3,865.39         | 0             |
| 4145      | NSF Fees Reimbursed            | 0.00       | 25         | (25.00)      | 250.00         | 275            | (25.00)          | 300           |
| 4145.01   | SurePay Setup Fees             | 0.00       | 0          | 0.00         | 25.00          | 0              | 25.00            | 0             |
| 4159      | Bad Debt Recovery              | 0.00       | 0          | 0.00         | 175.00         | 0              | 175.00           | 0             |
| 4165      | Interest Income                | 9.74       | 13         | (3.26)       | 116.09         | 143            | (26.91)          | 156           |
| 4166      | Other Income                   | 0.00       | 0          | 0.00         | 1,002.24       | 0              | 1,002.24         | 0             |
| 4189      | Transfer of Working Capital    | 0.00       | 0          | 0.00         | (692.60)       | 0              | (692.60)         | 0             |
| 4190      | Transfers to Reserve Fund      | (6,933.00) | (6,933)    | 0.00         | (76,260.00)    | (76,260)       | 0.00             | (83,193)      |
|           | TOTAL INCOME                   | 63,321.71  | 71,005     | (7,683.14)   | 747,711.55     | 786,326        | (38,614.80)      | 854,456       |
|           | EXPENSES                       |            |            |              |                |                |                  |               |
|           | ADMINISTRATIVE                 |            |            |              |                |                |                  |               |
| 5000.4190 | Prior Year Expenses            | 0.00       | 0          | 0.00         | 0.00           | 1,400          | 1,400.00         | 1,400         |
| 5112      | Meeting & Community            | 932.67     | 0          | (932.67)     | 2,702.05       | 125            | (2,577.05)       | 125           |
| 5113      | Social Expense                 | 674.41     | 0          | (674.41)     | 1,590.97       | 800            | (790.97)         | 800           |
| 5119      | Bad Debt Expense-Assessments   | 1,981.17   | 0          | (1,981.17)   | 8,381.17       | 12,800         | 4,418.83         | 12,800        |

3270 The Villages at Queen Creek Homeowners Associ  
Budget Comparison Statement  
11/30/2011

| Acct #               | Description                    | Nov Actual | Nov Budget | Nov Variance | Jan-Nov Actual | Jan-Nov Budget | Jan-Nov Variance | Annual Budget |
|----------------------|--------------------------------|------------|------------|--------------|----------------|----------------|------------------|---------------|
| 5119.001             | Bad Debt Expense-Other         | 0.00       | 83         | 83.00        | 412.00         | 908            | 496.00           | 991           |
| 5119.002             | Bad Debt Expense-Legal&Collect | 485.41     | 2,705      | 2,219.59     | 14,010.41      | 29,755         | 15,744.59        | 32,460        |
| 5119.003             | Bad Debt Expense-Late Fees/Vio | 1,001.48   | 400        | (601.48)     | 3,001.48       | 4,400          | 1,398.52         | 4,800         |
| 5119.004             | Bad Debt - Benefited Assessmen | 0.00       | 0          | 0.00         | 0.02           | 0              | (0.02)           | 0             |
| 5119.005             | Bad Debt Expense-Small Claims  | 10.79      | 0          | (10.79)      | 1,850.79       | 0              | (1,850.79)       | 0             |
| 5129.003             | Card Reader Supply/Repair      | 0.00       | 0          | 0.00         | 781.05         | 800            | 18.95            | 800           |
| 5135                 | Postage & Copies               | 7,118.32   | 3,500      | (3,618.32)   | 25,863.25      | 17,000         | (8,863.25)       | 20,500        |
| 5136                 | Bank Charges                   | 10.00      | 20         | 10.00        | 140.00         | 220            | 80.00            | 240           |
| 5136.02              | SurePay Setup Fees             | 0.00       | 0          | 0.00         | 25.00          | 0              | (25.00)          | 0             |
| 5142                 | Office Expense                 | 128.15     | 254        | 125.85       | 2,230.45       | 2,794          | 563.55           | 3,048         |
| 5145                 | Newsletter Expense             | 0.00       | 0          | 0.00         | 0.00           | 1,600          | 1,600.00         | 1,600         |
| 5146                 | Mileage Reimb                  | 0.00       | 41         | 41.00        | 29.20          | 450            | 420.80           | 490           |
| 5146.03              | Mileage Reimbursement - Manage | (50.00)    | 20         | 70.00        | 449.33         | 220            | (229.33)         | 240           |
| 5150                 | Reserve Study                  | 0.00       | 0          | 0.00         | 1,250.00       | 2,000          | 750.00           | 2,000         |
| 5151                 | CPA Services                   | 0.00       | 0          | 0.00         | 3,500.00       | 3,000          | (500.00)         | 3,000         |
| 5153                 | Consulting Fees                | 0.00       | 0          | 0.00         | 0.00           | 3,000          | 3,000.00         | 3,000         |
| 5154                 | Website Expense                | 50.00      | 70         | 20.00        | 763.82         | 780            | 16.18            | 850           |
| 5156.20              | Office Equipment               | 0.00       | 0          | 0.00         | 120.34         | 900            | 779.66           | 900           |
| 5159                 | Legal & Collection Fees        | 49.00      | 200        | 151.00       | 4,228.20       | 2,200          | (2,028.20)       | 2,400         |
| 5159.001             | Legal Fees-Collection          | 476.97     | 2,744      | 2,267.03     | 13,121.68      | 30,179         | 17,057.32        | 32,923        |
| 5159.01              | Legal Fees - Demand            | 0.00       | 2,875      | 2,875.00     | 2,960.00       | 11,500         | 8,540.00         | 11,500        |
| 5159.02              | Legal Fees - Lien              | 0.00       | 0          | 0.00         | 1,890.00       | 5,400          | 3,510.00         | 5,400         |
| 5159.03              | Legal-Small Claims             | 0.00       | 1,625      | 1,625.00     | 0.00           | 17,875         | 17,875.00        | 19,500        |
| 5160                 | Insurance                      | 435.88     | 1,252      | 816.12       | 11,371.14      | 13,772         | 2,400.86         | 15,024        |
| 5162                 | Income Taxes - State           | 0.00       | 0          | 0.00         | 45.00          | 50             | 5.00             | 50            |
| 5163                 | Property Taxes                 | 0.00       | 0          | 0.00         | 81.78          | 60             | (21.49)          | 60            |
| 5163.001             | Water District Taxes           | 0.00       | 0          | 0.00         | 8,125.64       | 5,500          | (2,625.64)       | 5,500         |
| 5165                 | Taxes, Licenses & Fees         | 0.00       | 0          | 0.00         | 280.00         | 235            | (45.00)          | 235           |
| TOTAL ADMINISTRATIVE |                                | 13,304.25  | 15,789     | 2,484.75     | 109,204.77     | 169,723        | 60,518.52        | 182,636       |
| UTILITIES            |                                |            |            |              |                |                |                  |               |

1600 W. Broadway Rd., Ste 200  
Tempe AZ 85282

| Acct #   | Description                 | Nov<br>Actual | Nov<br>Budget | Nov<br>Variance | Jan-Nov<br>Actual | Jan-Nov<br>Budget | Jan-Nov<br>Variance | Annual<br>Budget |
|----------|-----------------------------|---------------|---------------|-----------------|-------------------|-------------------|---------------------|------------------|
| 5205     | Electricity                 | 2,039.77      | 1,800         | (239.77)        | 24,330.23         | 22,200            | (2,130.23)          | 23,700           |
| 5210     | Gas                         | 315.13        | 1,000         | 684.87          | 3,280.45          | 5,000             | 1,719.55            | 6,000            |
| 5215     | Water & Sewer               | 2,907.24      | 2,600         | (307.24)        | 27,414.82         | 20,450            | (6,964.82)          | 21,550           |
| 5225     | Telephone                   | 173.97        | 139           | (34.97)         | 1,874.83          | 1,529             | (345.83)            | 1,668            |
|          | TOTAL UTILITIES             | 5,436.11      | 5,539         | 102.89          | 56,900.33         | 49,179            | (7,721.33)          | 52,918           |
|          | REPAIRS & MAINTENANCE       |               |               |                 |                   |                   |                     |                  |
| 5305     | Common Area Maintenance     | 278.53        | 550           | 271.47          | 5,017.74          | 6,050             | 1,032.26            | 6,600            |
| 5306.01  | Violation Monitor           | 0.00          | 1,455         | 1,455.00        | 3,698.51          | 16,655            | 12,956.49           | 18,110           |
| 5306.02  | Parking Patrol              | 0.00          | 625           | 625.00          | 1,875.00          | 6,875             | 5,000.00            | 7,500            |
| 5306.40  | Mail Box Repairs            | 0.00          | 210           | 210.00          | 583.98            | 2,290             | 1,706.02            | 2,500            |
| 5310     | Pump Repairs & Maintenance  | 0.00          | 200           | 200.00          | 920.00            | 2,200             | 1,280.00            | 2,400            |
| 5312     | Clubhouse Maintenance       | 4,947.09      | 300           | (4,647.09)      | 12,652.59         | 3,300             | (9,352.59)          | 3,600            |
| 5315.002 | Gopher Control              | 0.00          | 165           | 165.00          | 843.96            | 1,815             | 971.04              | 1,980            |
| 5333     | Rec Center Equip Repairs    | 297.06        | 166           | (131.06)        | 1,168.42          | 1,826             | 657.58              | 1,992            |
| 5347     | Security                    | 0.00          | 0             | 0.00            | 3,250.03          | 0                 | (3,250.03)          | 0                |
| 5350     | Backflow Inspection         | 0.00          | 0             | 0.00            | 651.50            | 500               | (151.50)            | 500              |
| 5354     | Arbor Care                  | 0.00          | 750           | 750.00          | 3,442.77          | 8,250             | 4,807.23            | 9,000            |
| 5355     | Landscape - Other           | 979.84        | 383           | (596.84)        | 1,379.84          | 4,217             | 2,837.16            | 4,600            |
| 5356     | Plant Replacement           | 2,738.68      | 0             | (2,738.68)      | 28,810.55         | 10,000            | (18,810.55)         | 10,000           |
| 5358     | Tree Pruning                | 0.00          | 0             | 0.00            | 0.00              | 17,000            | 17,000.00           | 17,000           |
| 5360     | Granite Replacement         | 2,121.94      | 0             | (2,121.94)      | 7,226.98          | 19,000            | 11,773.02           | 19,000           |
| 5362     | Drywell Maintenance         | 0.00          | 0             | 0.00            | 3,386.49          | 1,100             | (2,286.49)          | 1,100            |
| 5366     | Sprinkler Repairs           | 159.95        | 1,200         | 1,040.05        | 5,120.82          | 12,500            | 7,379.18            | 13,000           |
| 5370     | Pool/Spa Repair/Maintenance | 611.25        | 100           | (511.25)        | 7,529.57          | 1,900             | (5,629.57)          | 2,000            |
| 5374     | Janitorial Supplies         | 85.00         | 50            | (35.00)         | 1,218.17          | 850               | (368.17)            | 900              |
| 5379     | Winter Overseeding          | 0.00          | 0             | 0.00            | 10,663.00         | 13,000            | 2,337.00            | 13,000           |
| 5383     | Access System Repair        | 0.00          | 100           | 100.00          | 530.58            | 1,100             | 569.42              | 1,200            |
|          | TOTAL REPAIRS & MAINTENANCE | 12,219.34     | 6,254         | (5,965.34)      | 99,970.50         | 130,428           | 30,457.50           | 135,982          |

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Budget Comparison Statement  
11/30/2011

| Acct #   | Description                    | Nov<br>Actual | Nov<br>Budget | Nov<br>Variance | Jan-Nov<br>Actual | Jan-Nov<br>Budget | Jan-Nov<br>Variance | Annual<br>Budget |
|----------|--------------------------------|---------------|---------------|-----------------|-------------------|-------------------|---------------------|------------------|
|          | CONTRACT SERVICES              |               |               |                 |                   |                   |                     |                  |
| 5512     | Security Monitoring            | 280.00        | 750           | 470.00          | 4,975.00          | 8,350             | 3,375.00            | 9,125            |
| 5513.002 | Camera Maint Contract          | 0.00          | 0             | 0.00            | 64.00             | 0                 | (64.00)             | 0                |
| 5515     | Exterminating Contract         | 170.00        | 155           | (15.00)         | 1,820.76          | 1,705             | (115.76)            | 1,860            |
| 5522     | Janitorial Contract            | 975.00        | 1,000         | 25.00           | 11,060.00         | 10,985            | (75.00)             | 11,985           |
| 5525     | Landscape Contract             | 21,500.00     | 23,307        | 1,807.00        | 243,246.53        | 256,377           | 13,130.47           | 279,684          |
| 5530     | Management Contract            | 9,650.00      | 10,118        | 468.00          | 110,204.00        | 111,298           | 1,094.00            | 121,416          |
| 5531     | Pump Maint Contract            | 0.00          | 0             | 0.00            | 900.00            | 1,950             | 1,050.00            | 2,600            |
| 5532     | Pool/Spa Maintenance Contract  | 425.00        | 675           | 250.00          | 7,647.68          | 7,925             | 277.32              | 8,600            |
| 5539     | Drainage Channel Maintenance   | 3,891.94      | 3,900         | 8.06            | 42,784.32         | 42,900            | 115.68              | 46,800           |
| 5554     | Exercise Equipment Maint. Cont | (71.00)       | 71            | 142.00          | 637.51            | 779               | 141.49              | 850              |
|          | TOTAL CONTRACT SERVICES        | 36,820.94     | 39,976        | 3,155.06        | 423,339.80        | 442,269           | 18,929.20           | 482,920          |
|          | TOTAL EXPENSES                 | 67,780.64     | 67,558        | (222.64)        | 689,415.40        | 791,599           | 102,183.89          | 854,456          |
|          | CURRENT YEAR NET SURPLUS/(DEFI | (4,458.93)    | 3,447         | (7,905.78)      | 58,296.15         | (5,273)           | 63,569.09           | 0                |

The Villages at Queen Creek Homeowners Association  
Reserve Statement  
11/30/2011

1600 W. Broadway Rd., Ste 200  
Tempe AZ 85282

| Acct #   | Description                      | Nov<br>Actual | Nov<br>Budget | Nov<br>Variance | Jan-Nov<br>Actual | Jan-Nov<br>Budget | Jan-Nov<br>Variance | Annual<br>Budget |
|----------|----------------------------------|---------------|---------------|-----------------|-------------------|-------------------|---------------------|------------------|
|          | INCOME                           |               |               |                 |                   |                   |                     |                  |
| 8165     | Interest Income                  | 69.23         | 13            | 56.23           | 1,345.55          | 143               | 1,202.55            | 156              |
| 8189     | Transfer of Working Capital      | 0.00          | 0             | 0.00            | 692.60            | 0                 | 692.60              | 0                |
| 8190     | Transfers from Operating Fund    | 6,933.00      | 6,933         | 0.00            | 76,260.00         | 76,260            | 0.00                | 83,193           |
|          | TOTAL INCOME                     | 7,002.23      | 6,946         | 56.23           | 78,298.15         | 76,403            | 1,895.15            | 83,349           |
|          | EXPENSE                          |               |               |                 |                   |                   |                     |                  |
| 9100     | Capital Improvements             | 0.00          | 833           | 833.00          | 0.00              | 9,167             | 9,167.00            | 10,000           |
| 9103     | Exercise Equipment               | 0.00          | 0             | 0.00            | 20,074.62         | 0                 | (20,074.62)         | 0                |
| 9115     | Fence Replacement                | 954.45        | 0             | (954.45)        | 13,422.37         | 0                 | (13,422.37)         | 0                |
| 9116.001 | Carpet Replacement               | 0.00          | 0             | 0.00            | 2,695.86          | 0                 | (2,695.86)          | 0                |
| 9125     | Office Equipment/Furniture       | 115.26        | 0             | (115.26)        | 115.26            | 0                 | (115.26)            | 0                |
| 9127     | Monument Signs - Letters         | 3,570.55      | 0             | (3,570.55)      | 7,141.11          | 0                 | (7,141.11)          | 0                |
| 9128.002 | Lighting - Monument              | 4,851.56      | 0             | (4,851.56)      | 4,851.56          | 0                 | (4,851.56)          | 0                |
| 9137     | Pool Furniture                   | 0.00          | 0             | 0.00            | 18,000.01         | 0                 | (18,000.01)         | 0                |
| 9142     | Roof Repair                      | 89.61         | 0             | (89.61)         | 1,372.81          | 0                 | (1,372.81)          | 0                |
| 9172     | Shade Structure/Ramada           | 9,204.48      | 0             | (9,204.48)      | 18,855.43         | 0                 | (18,855.43)         | 0                |
| 9174     | Clubhouse Equipment/Furniture    | 1,376.60      | 0             | (1,376.60)      | 12,303.77         | 0                 | (12,303.77)         | 0                |
| 9195     | Pumps / Pump Station             | 0.00          | 0             | 0.00            | 12,460.74         | 0                 | (12,460.74)         | 0                |
| 9202     | Pool Deck Repairs                | 12,182.63     | 0             | (12,182.63)     | 22,948.56         | 0                 | (22,948.56)         | 0                |
| 9306     | Pool-Replaster/Retile            | 11,528.89     | 0             | (11,528.89)     | 22,557.92         | 0                 | (22,557.92)         | 0                |
|          | TOTAL EXPENSES                   | 43,874.03     | 833           | (43,041.03)     | 156,800.02        | 9,167             | (147,633.02)        | 10,000           |
|          | CURRENT YEAR SURPLUS / (DEFICIT) | (36,871.80)   | 6,113         | (42,984.80)     | (78,501.87)       | 67,236            | (145,737.87)        | 73,349           |

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327c Villages at Queen Creek Homeowner Association  
Balance Sheet  
12/31/2011

1600 W. Broadway Rd  
Suite 200  
Tempe AZ 85282

Acct #

ASSETS

|          |                               |              |
|----------|-------------------------------|--------------|
|          | OPERATING FUNDS               |              |
| 1100     | Operating Checking            | 32,441.37    |
| 1103     | Operating Savings             | 591.30       |
| 1120     | Petty Cash                    | 500.00       |
|          |                               | -----        |
|          | TOTAL OPERATING FUNDS         | 33,532.67    |
|          | RESERVE FUNDS                 |              |
| 1150     | Reserve Fund Savings          | 157,111.99   |
| 1150.020 | Due from Operating to Reserve | 173.15       |
|          |                               | -----        |
|          | TOTAL RESERVE FUNDS           | 157,285.14   |
|          | OTHER ASSETS                  |              |
| 1200     | Accounts Receivable           | 282,632.23   |
| 1201     | Less Reserve for Bad Debt     | (263,505.98) |
| 1250     | Prepaid Expenses              | 21,560.00    |
| 1260     | Prepaid Insurance             | 3,649.75     |
|          |                               | -----        |
|          | TOTAL OTHER ASSETS            | 44,336.00    |
|          |                               | -----        |
|          | TOTAL ASSETS                  | 235,153.81   |
|          |                               | =====        |

LIABILITIES

|          |                               |            |
|----------|-------------------------------|------------|
|          | LIABILITIES                   |            |
| 2001     | Accounts Payable              | 3,946.09   |
| 2001.012 | Collection Fees Payable       | 9,912.49   |
| 2003     | Accrued Expenses              | 22,064.18  |
| 2005     | Prepaid Assessments           | 102,001.57 |
| 2010     | Refundable Deposits           | 250.00     |
| 2105.001 | Due to Reserve from Operating | 173.15     |
|          |                               | -----      |
|          | TOTAL LIABILITIES             | 138,347.48 |

EQUITY

|      |                                |            |
|------|--------------------------------|------------|
| 3501 | Members' Equity - Prior Years  | 103,228.30 |
|      | Current Year Surplus/(Deficit) | (6,421.97) |
|      |                                | -----      |
|      | TOTAL EQUITY                   | 96,806.33  |
|      |                                | -----      |
|      | TOTAL LIABILITIES & EQUITY     | 235,153.81 |
|      |                                | =====      |

3270 The Villages at Queen Creek Homeowners Associ  
Budget Comparison Statement  
12/31/2011

| Acct #    | Description                    | Dec Actual | Dec Budget | Dec Variance | Jan-Dec Actual | Jan-Dec Budget | Jan-Dec Variance | Annual Budget |
|-----------|--------------------------------|------------|------------|--------------|----------------|----------------|------------------|---------------|
|           | INCOME                         |            |            |              |                |                |                  |               |
| 4005      | Assessments                    | 66,922.73  | 66,105     | 818.23       | 795,171.38     | 793,254        | 1,917.38         | 793,254       |
| 4011.001  | Satellite Association Assessme | 1,571.00   | 1,571      | 0.01         | 18,851.92      | 18,852         | 0.04             | 18,852        |
| 4012      | Builder Assessments            | 190.38     | 230        | (39.98)      | 2,372.59       | 2,764          | (391.73)         | 2,764         |
| 4020      | Working Capital Fees           | 173.15     | 0          | 173.15       | 865.75         | 0              | 865.75           | 0             |
| 4026.01   | Self Help                      | 0.00       | 300        | (300.00)     | 225.00         | 3,600          | (3,375.00)       | 3,600         |
| 4090      | CC&R Violation Fees            | 625.00     | 1,250      | (625.00)     | 20,623.82      | 15,000         | 5,623.82         | 15,000        |
| 4106      | Legal Fee Reimbursement        | 766.30     | 2,744      | (1,977.70)   | 14,242.60      | 32,923         | (18,680.40)      | 32,923        |
| 4106.003  | Legal-Small Claims             | 0.00       | 1,625      | (1,625.00)   | 181.65         | 19,500         | (19,318.35)      | 19,500        |
| 4106.01   | Legal Reimb - Demand           | 0.00       | 0          | 0.00         | 2,680.00       | 11,500         | (8,820.00)       | 11,500        |
| 4106.02   | Legal Reimb - Lien             | 0.00       | 0          | 0.00         | 1,927.24       | 5,400          | (3,472.76)       | 5,400         |
| 4109      | Gate/Key Income                | 375.00     | 100        | 275.00       | 2,125.00       | 1,200          | 925.00           | 1,200         |
| 4110      | Late Charges                   | (90.00)    | 0          | (90.00)      | 12,887.04      | 20,000         | (7,112.96)       | 20,000        |
| 4111      | Social Income                  | 0.00       | 0          | 0.00         | 1,715.00       | 0              | 1,715.00         | 0             |
| 4125.001  | HOA Transfer Fees              | 700.00     | 1,000      | (300.00)     | 13,875.00      | 12,000         | 1,875.00         | 12,000        |
| 4126      | Clubhouse Rental               | 330.00     | 100        | 230.00       | 3,050.00       | 1,200          | 1,850.00         | 1,200         |
| 4141      | Insurance Claim Income         | 0.00       | 0          | 0.00         | 3,865.39       | 0              | 3,865.39         | 0             |
| 4145      | NSF Fees Reimbursed            | 0.00       | 25         | (25.00)      | 250.00         | 300            | (50.00)          | 300           |
| 4145.01   | SurePay Setup Fees             | 0.00       | 0          | 0.00         | 25.00          | 0              | 25.00            | 0             |
| 4159      | Bad Debt Recovery              | 0.00       | 0          | 0.00         | 175.00         | 0              | 175.00           | 0             |
| 4165      | Interest Income                | 7.11       | 13         | (5.89)       | 123.20         | 156            | (32.80)          | 156           |
| 4166      | Other Income                   | 0.00       | 0          | 0.00         | 1,002.24       | 0              | 1,002.24         | 0             |
| 4189      | Transfer of Working Capital    | (173.15)   | 0          | (173.15)     | (865.75)       | 0              | (865.75)         | 0             |
| 4190      | Transfers to Reserve Fund      | (6,933.00) | (6,933)    | 0.00         | (83,193.00)    | (83,193)       | 0.00             | (83,193)      |
|           | TOTAL INCOME                   | 64,464.52  | 68,130     | (3,665.33)   | 812,176.07     | 854,456        | (42,280.13)      | 854,456       |
|           | EXPENSES                       |            |            |              |                |                |                  |               |
|           | ADMINISTRATIVE                 |            |            |              |                |                |                  |               |
| 5000.4190 | Prior Year Expenses            | 0.00       | 0          | 0.00         | 0.00           | 1,400          | 1,400.00         | 1,400         |
| 5112      | Meeting & Community            | 237.70     | 0          | (237.70)     | 2,939.75       | 125            | (2,814.75)       | 125           |
| 5113      | Social Expense                 | 274.00     | 0          | (274.00)     | 1,864.97       | 800            | (1,064.97)       | 800           |
| 5119      | Bad Debt Expense-Assessments   | (1,981.17) | 0          | 1,981.17     | 6,400.00       | 12,800         | 6,400.00         | 12,800        |

3270 The Villages at Queen Creek Homeowners Associ  
Budget Comparison Statement  
12/31/2011

| Acct #               | Description                    | Dec Actual | Dec Budget | Dec Variance | Jan-Dec Actual | Jan-Dec Budget | Jan-Dec Variance | Annual Budget |
|----------------------|--------------------------------|------------|------------|--------------|----------------|----------------|------------------|---------------|
| 5119.001             | Bad Debt Expense-Other         | 0.00       | 83         | 83.00        | 412.00         | 991            | 579.00           | 991           |
| 5119.002             | Bad Debt Expense-Legal&Collect | (485.41)   | 2,705      | 3,190.41     | 13,525.00      | 32,460         | 18,935.00        | 32,460        |
| 5119.003             | Bad Debt Expense-Late Fees/Vio | (1,001.48) | 400        | 1,401.48     | 2,000.00       | 4,800          | 2,800.00         | 4,800         |
| 5119.004             | Bad Debt - Benefited Assessmen | (0.02)     | 0          | 0.02         | 0.00           | 0              | 0.00             | 0             |
| 5119.005             | Bad Debt Expense-Small Claims  | 0.00       | 0          | 0.00         | 1,850.79       | 0              | (1,850.79)       | 0             |
| 5129.003             | Card Reader Supply/Repair      | 0.00       | 0          | 0.00         | 781.05         | 800            | 18.95            | 800           |
| 5135                 | Postage & Copies               | 357.45     | 3,500      | 3,142.55     | 26,220.70      | 20,500         | (5,720.70)       | 20,500        |
| 5136                 | Bank Charges                   | 0.00       | 20         | 20.00        | 140.00         | 240            | 100.00           | 240           |
| 5136.02              | SurePay Setup Fees             | 0.00       | 0          | 0.00         | 25.00          | 0              | (25.00)          | 0             |
| 5142                 | Office Expense                 | 814.83     | 254        | (560.83)     | 3,045.28       | 3,048          | 2.72             | 3,048         |
| 5145                 | Newsletter Expense             | 0.00       | 0          | 0.00         | 0.00           | 1,600          | 1,600.00         | 1,600         |
| 5146                 | Mileage Reimb                  | 0.00       | 40         | 40.00        | 29.20          | 490            | 460.80           | 490           |
| 5146.03              | Mileage Reimbursement - Manage | 51.45      | 20         | (31.45)      | 500.78         | 240            | (260.78)         | 240           |
| 5150                 | Reserve Study                  | 250.00     | 0          | (250.00)     | 1,500.00       | 2,000          | 500.00           | 2,000         |
| 5151                 | CPA Services                   | 0.00       | 0          | 0.00         | 3,500.00       | 3,000          | (500.00)         | 3,000         |
| 5153                 | Consulting Fees                | 0.00       | 0          | 0.00         | 0.00           | 3,000          | 3,000.00         | 3,000         |
| 5154                 | Website Expense                | 50.00      | 70         | 20.00        | 813.82         | 850            | 36.18            | 850           |
| 5156.20              | Office Equipment               | 735.06     | 0          | (735.06)     | 855.40         | 900            | 44.60            | 900           |
| 5159                 | Legal & Collection Fees        | 300.00     | 200        | (100.00)     | 4,528.20       | 2,400          | (2,128.20)       | 2,400         |
| 5159.001             | Legal Fees-Collections         | 857.47     | 2,744      | 1,886.53     | 13,979.15      | 32,923         | 18,943.85        | 32,923        |
| 5159.01              | Legal Fees - Demand            | 0.00       | 0          | 0.00         | 2,960.00       | 11,500         | 8,540.00         | 11,500        |
| 5159.02              | Legal Fees - Lien              | 0.00       | 0          | 0.00         | 1,890.00       | 5,400          | 3,510.00         | 5,400         |
| 5159.03              | Legal Fees-Small Claims        | 0.00       | 1,625      | 1,625.00     | 0.00           | 19,500         | 19,500.00        | 19,500        |
| 5160                 | Insurance                      | 779.92     | 1,252      | 472.08       | 12,151.06      | 15,024         | 2,872.94         | 15,024        |
| 5162                 | Income Taxes - State           | 0.00       | 0          | 0.00         | 45.00          | 50             | 5.00             | 50            |
| 5163                 | Property Taxes                 | 0.00       | 0          | 0.00         | 81.78          | 60             | (21.49)          | 60            |
| 5163.001             | Water District Taxes           | 0.00       | 0          | 0.00         | 8,125.64       | 5,500          | (2,625.64)       | 5,500         |
| 5165                 | Taxes, Licenses & Fees         | 0.00       | 0          | 0.00         | 280.00         | 235            | (45.00)          | 235           |
| TOTAL ADMINISTRATIVE |                                | 1,239.80   | 12,913     | 11,673.20    | 110,444.57     | 182,636        | 72,191.72        | 182,636       |
| UTILITIES            |                                |            |            |              |                |                |                  |               |

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Budget Comparison Statement  
12/31/2011

| Acct #                | Description                 | Dec Actual | Dec Budget | Dec Variance | Jan-Dec Actual | Jan-Dec Budget | Jan-Dec Variance | Annual Budget |
|-----------------------|-----------------------------|------------|------------|--------------|----------------|----------------|------------------|---------------|
| 5205                  | Electricity                 | 1,356.30   | 1,500      | 143.70       | 25,686.53      | 23,700         | (1,986.53)       | 23,700        |
| 5210                  | Gas                         | 1,196.27   | 1,000      | (196.27)     | 4,476.72       | 6,000          | 1,523.28         | 6,000         |
| 5215                  | Water & Sewer               | 2,302.09   | 1,100      | (1,202.09)   | 29,716.91      | 21,550         | (8,166.91)       | 21,550        |
| 5225                  | Telephone                   | 175.34     | 139        | (36.34)      | 2,050.17       | 1,668          | (382.17)         | 1,668         |
| -----                 |                             |            |            |              |                |                |                  |               |
|                       | TOTAL UTILITIES             | 5,030.00   | 3,739      | (1,291.00)   | 61,930.33      | 52,918         | (9,012.33)       | 52,918        |
| REPAIRS & MAINTENANCE |                             |            |            |              |                |                |                  |               |
| 5305                  | Common Area Maintenance     | 1,464.61   | 550        | (914.61)     | 6,482.35       | 6,600          | 117.65           | 6,600         |
| 5306.01               | Violation Monitor           | 0.00       | 1,455      | 1,455.00     | 3,698.51       | 18,110         | 14,411.49        | 18,110        |
| 5306.02               | Parking Patrol              | 0.00       | 625        | 625.00       | 1,875.00       | 7,500          | 5,625.00         | 7,500         |
| 5306.40               | Mail Box Repairs            | 0.00       | 210        | 210.00       | 583.98         | 2,500          | 1,916.02         | 2,500         |
| 5310                  | Pump Repairs & Maintenance  | 0.00       | 200        | 200.00       | 920.00         | 2,400          | 1,480.00         | 2,400         |
| 5312                  | Clubhouse Maintenance       | 1,041.62   | 300        | (741.62)     | 13,694.21      | 3,600          | (10,094.21)      | 3,600         |
| 5315.002              | Gopher Control              | 0.00       | 165        | 165.00       | 843.96         | 1,980          | 1,136.04         | 1,980         |
| 5333                  | Rec Center Equip Repairs    | 435.27     | 166        | (269.27)     | 1,603.69       | 1,992          | 388.31           | 1,992         |
| 5347                  | Security                    | 0.00       | 0          | 0.00         | 3,250.03       | 0              | (3,250.03)       | 0             |
| 5350                  | Backflow Inspection         | 0.00       | 0          | 0.00         | 651.50         | 500            | (151.50)         | 500           |
| 5354                  | Arbor Care                  | 0.00       | 750        | 750.00       | 3,442.77       | 9,000          | 5,557.23         | 9,000         |
| 5355                  | Landscape - Other           | 0.00       | 383        | 383.00       | 1,379.84       | 4,600          | 3,220.16         | 4,600         |
| 5356                  | Plant Replacement           | 7,837.30   | 0          | (7,837.30)   | 36,647.85      | 10,000         | (26,647.85)      | 10,000        |
| 5358                  | Tree Pruning                | 0.00       | 0          | 0.00         | 0.00           | 17,000         | 17,000.00        | 17,000        |
| 5360                  | Granite Replacement         | 0.00       | 0          | 0.00         | 7,226.98       | 19,000         | 11,773.02        | 19,000        |
| 5362                  | Drywell Maintenance         | 0.00       | 0          | 0.00         | 3,386.49       | 1,100          | (2,286.49)       | 1,100         |
| 5366                  | Sprinkler Repairs           | 2,197.64   | 500        | (1,697.64)   | 7,318.46       | 13,000         | 5,681.54         | 13,000        |
| 5370                  | Pool/Spa Repair/Maintenance | 313.14     | 100        | (213.14)     | 7,842.71       | 2,000          | (5,842.71)       | 2,000         |
| 5374                  | Janitorial Supplies         | 25.00      | 50         | 25.00        | 1,243.17       | 900            | (343.17)         | 900           |
| 5379                  | Winter Overseeding          | 0.00       | 0          | 0.00         | 10,663.00      | 13,000         | 2,337.00         | 13,000        |
| 5383                  | Access System Repair        | 830.58     | 100        | (730.58)     | 1,361.16       | 1,200          | (161.16)         | 1,200         |
| -----                 |                             |            |            |              |                |                |                  |               |
|                       | TOTAL REPAIRS & MAINTENANCE | 14,145.16  | 5,554      | (8,591.16)   | 114,115.66     | 135,982        | 21,866.34        | 135,982       |

3270 The Villages at Queen Creek Homeowners Associ  
Budget Comparison Statement  
12/31/2011

| Acct #   | Description                    | Dec Actual | Dec Budget | Dec Variance | Jan-Dec Actual | Jan-Dec Budget | Jan-Dec Variance | Annual Budget |
|----------|--------------------------------|------------|------------|--------------|----------------|----------------|------------------|---------------|
|          | CONTRACT SERVICES              |            |            |              |                |                |                  |               |
| 5512     | Security Monitoring            | 350.00     | 775        | 425.00       | 5,325.00       | 9,125          | 3,800.00         | 9,125         |
| 5513.002 | Camera Maint Contract          | 30.00      | 0          | (30.00)      | 94.00          | 0              | (94.00)          | 0             |
| 5515     | Exterminating Contract         | 170.00     | 155        | (15.00)      | 1,990.76       | 1,860          | (130.76)         | 1,860         |
| 5522     | Janitorial Contract            | 975.00     | 1,000      | 25.00        | 12,035.00      | 11,985         | (50.00)          | 11,985        |
| 5525     | Landscape Contract             | 21,500.00  | 23,307     | 1,807.00     | 264,746.53     | 279,684        | 14,937.47        | 279,684       |
| 5530     | Management Contract            | 9,650.00   | 10,118     | 468.00       | 119,854.00     | 121,416        | 1,562.00         | 121,416       |
| 5531     | Pump Maint Contract            | 450.00     | 650        | 200.00       | 1,350.00       | 2,600          | 1,250.00         | 2,600         |
| 5532     | Pool/Spa Maintenance Contract  | 425.00     | 675        | 250.00       | 8,072.68       | 8,600          | 527.32           | 8,600         |
| 5539     | Drainage Channel Maintenance   | 3,893.63   | 3,900      | 6.37         | 46,677.95      | 46,800         | 122.05           | 46,800        |
| 5554     | Exercise Equipment Maint. Cont | 0.00       | 71         | 71.00        | 637.51         | 850            | 212.49           | 850           |
|          | TOTAL CONTRACT SERVICES        | 37,443.63  | 40,651     | 3,207.37     | 460,783.43     | 482,920        | 22,136.57        | 482,920       |
|          | TOTAL EXPENSES                 | 57,858.59  | 62,857     | 4,998.41     | 747,273.99     | 854,456        | 107,182.30       | 854,456       |
|          | CURRENT YEAR NET SURPLUS/(DEFI | 6,605.93   | 5,273      | 1,333.08     | 64,902.08      | 0              | 64,902.17        | 0             |

The Villages at Queen Creek Homeowners Association  
Reserve Statement  
12/31/2011

| Acct #   | Description                      | Dec Actual | Dec Budget | Dec Variance | Jan-Dec Actual | Jan-Dec Budget | Jan-Dec Variance | Annual Budget |
|----------|----------------------------------|------------|------------|--------------|----------------|----------------|------------------|---------------|
|          | INCOME                           |            |            |              |                |                |                  |               |
| 8165     | Interest Income                  | 65.86      | 13         | 52.86        | 1,411.41       | 156            | 1,255.41         | 156           |
| 8189     | Transfer of Working Capital      | 173.15     | 0          | 173.15       | 865.75         | 0              | 865.75           | 0             |
| 8190     | Transfers from Operating Fund    | 6,933.00   | 6,933      | 0.00         | 83,193.00      | 83,193         | 0.00             | 83,193        |
|          | TOTAL INCOME                     | 7,172.01   | 6,946      | 226.01       | 85,470.16      | 83,349         | 2,121.16         | 83,349        |
|          | EXPENSE                          |            |            |              |                |                |                  |               |
| 9100     | Capital Improvements             | 0.00       | 833        | 833.00       | 0.00           | 10,000         | 10,000.00        | 10,000        |
| 9103     | Exercise Equipment               | 0.00       | 0          | 0.00         | 20,074.62      | 0              | (20,074.62)      | 0             |
| 9115     | Fence Replacement                | 0.00       | 0          | 0.00         | 13,422.37      | 0              | (13,422.37)      | 0             |
| 9116.001 | Carpet Replacement               | 0.00       | 0          | 0.00         | 2,695.86       | 0              | (2,695.86)       | 0             |
| 9125     | Office Equipment/Furniture       | 4,400.00   | 0          | (4,400.00)   | 4,515.26       | 0              | (4,515.26)       | 0             |
| 9127     | Monument Signs - Letters         | 0.00       | 0          | 0.00         | 7,141.11       | 0              | (7,141.11)       | 0             |
| 9128.002 | Lighting - Monument              | 0.00       | 0          | 0.00         | 4,851.56       | 0              | (4,851.56)       | 0             |
| 9137     | Pool Furniture                   | 0.00       | 0          | 0.00         | 18,000.01      | 0              | (18,000.01)      | 0             |
| 9142     | Roof Repair                      | 0.00       | 0          | 0.00         | 1,372.81       | 0              | (1,372.81)       | 0             |
| 9172     | Shade Structure/Ramada           | 0.00       | 0          | 0.00         | 18,855.43      | 0              | (18,855.43)      | 0             |
| 9174     | Clubhouse Equipment/Furniture    | 0.00       | 0          | 0.00         | 12,303.77      | 0              | (12,303.77)      | 0             |
| 9195     | Pumps / Pump Station             | 0.00       | 0          | 0.00         | 12,460.74      | 0              | (12,460.74)      | 0             |
| 9202     | Pool Deck Repairs                | 0.00       | 0          | 0.00         | 22,948.56      | 0              | (22,948.56)      | 0             |
| 9306     | Pool-Replaster/Retile            | 0.00       | 0          | 0.00         | 22,557.92      | 0              | (22,557.92)      | 0             |
|          | TOTAL EXPENSES                   | 4,400.00   | 833        | (3,567.00)   | 161,200.02     | 10,000         | (151,200.02)     | 10,000        |
|          | CURRENT YEAR SURPLUS / (DEFICIT) | 2,772.01   | 6,113      | (3,340.99)   | (75,729.86)    | 73,349         | (149,078.86)     | 73,349        |

## MANAGEMENT REPORT



**Prepared for the Board of Directors Meeting**

**Thursday, January 26, 2012**

### AAM, LLC Contact Information

| Title                                       | Name              | Direct Line  | Fax          | Email Address          |
|---------------------------------------------|-------------------|--------------|--------------|------------------------|
| Community Manager                           | Cindy Anderson    | 480.987.0847 | 480.987.0851 | canderson@aamaz.com    |
| Administrative Assistant                    | Maria Courcey     | 602.906.4911 | 602.870.8231 | mcourcey@aamaz.com     |
| Area Manager / VP of East Valley Operations | Carla Helmstadter | 602.906.4909 | 480.821.2334 | chelmstadter@aamaz.com |



**AAM EMERGENCY LINE: 866.553.8290 or 602.647.3034**

### Board of Directors Information

| Name         | Position                        | Term Expiration |
|--------------|---------------------------------|-----------------|
| Bill Lehman  | <b>President</b> /Director      | 12/2014         |
| Larry Murphy | <b>Vice President</b> /Director | 12/2012         |
| Sharron Owen | <b>Secretary</b> /Director      | 12/2013         |
| Bruce Ervans | <b>Treasurer</b> /Director      | 12/2013         |
| Mindy Durall | Director                        | 12/2012         |

### Community Information

|                                           |            |
|-------------------------------------------|------------|
| Total Number of Lots                      | 1744       |
| Percentage Closed                         | 98.8%      |
| Total Closed per AAM records (01/26/2012) | 1724       |
| Annual Meeting Date                       | 12/06/2012 |

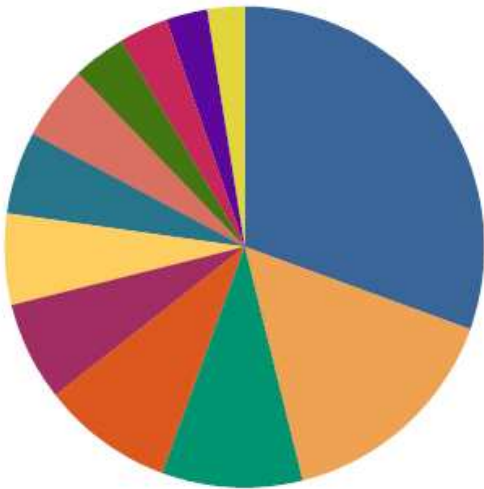
### Financial Snapshot

|                             |              |
|-----------------------------|--------------|
| Pre-Paid Assessment Balance | \$102,001.57 |
| Operating Account Balance   | \$95,329.62  |
| Reserve Account Balance     | \$168,036.58 |

### Delinquency Report

|                                                      |              |
|------------------------------------------------------|--------------|
| 90 Days Past Due (as of 1/26/2012)                   | \$113,478.02 |
| 60 Days Past Due (as of 1/26/2012)                   | \$5,121.95   |
| 30 Days Past Due (as of 1/26/2012)                   | \$1,635.07   |
| Prior Homeowner Delinquency Balance                  | \$154,910.63 |
| Completed Trustee Sales<br>(01/01/2011 - 01/26/2012) | 75           |
| Pending Trustee Sales (Through 12/31/2012)           | 19           |
| Liens Filed (01/01/2011 - 01/26/2012)                | 59           |
| Demands Posted (01/01/2011 - 01/26/2012)             | 203          |

### Violation Chart (01/01/2011 - 01/26/2012)



|                             |      |        |
|-----------------------------|------|--------|
| REMOVE WEEDS                | 640  | 30.5%  |
| TRASH / RECYCLE CAN VISIBLE | 324  | 15.5%  |
| MANAGER CHOICE LETTE        | 200  | 9.5%   |
| LOT MAINTENANCE OTHER       | 187  | 8.9%   |
| PARKING ON STREET OVERNIGHT | 137  | 6.5%   |
| TRIM PLANT(S)/TREE(S)       | 131  | 6.3%   |
| PROHIBITED VEHICLE          | 117  | 5.6%   |
| PARKED ON LANDSCAPE         | 102  | 4.9%   |
| DEAD / DYING TURF           | 76   | 3.6%   |
| ITEMS LEFT OUT              | 70   | 3.3%   |
| WEEDS IN BACK YARD          | 58   | 2.8%   |
| PARKED ON SIDEWALK          | 53   | 2.5%   |
| Total:                      | 2095 | 100.0% |

### Management Update

- Completed the November 17, 2011 Open & Executive Session meeting minutes.
- Completed the December 1, 2011 Annual & Organizational meeting minutes.
- Completed the November & December 2011 Financial variance reports.
- Attended the Budget/Finance Committee Meetings on December 21<sup>st</sup> & January 16<sup>th</sup>.
- Completed the December 21<sup>st</sup> & January 16<sup>th</sup> Budget/Finance Committee meeting minutes.
- Sent meeting reminders and Architectural submittals to the Committee for review.
- Scheduled all clubhouse meeting room reservations.
- Continued with key-fob suspension of delinquent and past owner accounts with the assistance of VP Larry Murphy.
- Informed all regular renters of the clubhouse meeting room of new rules and fees.
- Sent out the 2012 Board & Committee meeting postcard.
- Completed the office, waiting room & conference room furniture selection and purchase.
- Met, toured the entire community and followed up with JaxPro Pest Control and obtained a bid for a one-time, two day extensive gopher treatment as well as a bid for an increase in gopher/pest service to weekly rather than the existing twice monthly.
- Requested a legal opinion regarding Transfer Fees from the attorney as approved at the last Board meeting.
- Met with one of AAM's Webmasters, Jennifer, for the photo shoot for the upcoming new website.
- Communicated with the property manager of the Villages business park, and attended a meeting with Bill, Larry Austin & Tim to discuss a main line water leak near the monument sign several weeks ago.
- Communicated with the Town of QC regarding 10 locations of sidewalk where streetscape tree roots were causing the sidewalk to buckle. Town of QC will be repairing the sidewalk, I asked Austin to address the tree roots issues.
- Met with Austin, Chris & Steve and toured the entire community for final streetscape tree installations.
- Met with Austin regarding the final tree installation inspection and spillway maintenance responsibilities (golf course vs. HOA).
- I communicated with the Dave @ Town of QC Code Compliance regarding backwashing regulations as well as reported and discussed other violations in the community.
- Met with a representative from Nisayah to move the intercom system into my office. Also discussed issues with the key-fob system which they are still trouble-shooting.
- Met with several contractors regarding bidding block wall repair, meeting room door installation, horseshoe pit installation and other maintenance items in need of bids.
- Prepared the bid packet for Fitness Equipment Maintenance, Tot Lot Maintenance and Parking/Security Patrol for the Oversight Committee's review.
- Completed the Parcel 2 walk and forwarded all information to RDA for completion of the Reserve Study.

- Communicated several times with ALB signs regarding the color difference of the insides of the letters Q in the monument signs and other maintenance items. Meeting onsite is scheduled for Friday to finalize repairs.
- Had additional signage installed in the clubhouse and pool area.
- Had a plumber come out for the women's restroom, toilet was clogging and the floor drainage is not working properly.
- Met with Trevor from Fittech regarding some maintenance items on the new fitness equipment.
- Met with an electrician for repair of non-working sockets in the clubhouse.
- Attended a training session with ADT regarding the security camera DVR. Also had some camera angles adjusted.
- Corresponded with the Town of Queen Creek regarding dry well installation agreement as well as several other various items.
- Obtained a proposal from Torrent Resources for the dry well installation.
- Met with Century Link to have the internet, fax and phone lines changed to my office.
- Had two pieces of pool furniture replaced (at no charge) that were either missing a piece or damaged.
- Met with Lincoln Door regarding clubhouse door, meeting room door install bid and window issues.
- Picked up new Board member name plates.
- Ordered new Board member polo and picked up.
- Met with Touchstone Accent Lighting for parking lot lighting options.
- Communicated with Austin Witzel from H&N daily regarding landscape maintenance concerns. Also forwarded all homeowner landscape concerns to Mike & Austin to address.
- Responded to all after-hours and weekend emergency calls that came through AAM's emergency line.
- Communicated with Webmaster Sandi Dale for several website updates.
- Sent meeting reminder e-blasts.
- Communicated with several homeowners on a daily basis via e-mail, phone and in person regarding various issues.
- Followed up on several homeowner concerns of violations in the community.
- Corresponded with Town of QC Code Compliance for lots with excessive violations.
- Performed 4 front yard violation inspections of the community.

### Highlights

- Reminder: HOA office hours are now Monday, Wednesday & Friday, 9a-5p (lunch 11a-12n). **The HOA office will be closed Friday, February 3<sup>rd</sup>. However the office will be open on Thursday, February 2<sup>nd</sup>.**
- If you would like to volunteer to be a part of a committee, please complete a volunteer form and forward to me.
- Please log onto [www.ourvatqc.com](http://www.ourvatqc.com) and sign up for Villages e-news. The website also contains a lot of useful information for homeowners and residents.
- If you have a business and would like to advertise on the community website, please contact me. The advertising page has been set up; it's titled "Local Businesses". Homeowners and residents may advertise their business free of charge. The charge is \$50 per year for a non-homeowner/resident.

Respectfully Submitted,  
*Cindy Anderson*  
 Cindy Anderson  
 Community Manager  
 AAM, LLC

## Cindy Anderson

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**From:** austinwitzel@hnlandscape.com  
**Sent:** Thursday, January 19, 2012 11:28 AM  
**To:** Cindy Anderson  
**Subject:** Villages @ Queen Creek report



### **Landscape & Maintenance**

Austin Witzel  
Maintenance supervisor  
(480)-388-6008  
[austinwitzel@hnlandscape.com](mailto:austinwitzel@hnlandscape.com)  
Villages @ Queen Creek

### **Maintenance-**

The last month has been a slow one do to the holidays and the rain but our crew has accomplished the following:

- We have completed the the entire weekly rotation this month.
- We have also completed the trimming on the loop this is to help for when we start doing spring cut backs
- The crew has also started spraying weed in the community we are spraying a mix of Prosecutor(Roundup) and a pre-emergant, this is harmless for pets but keep them clear until it has time to dry
- We will be starting on Rittenhouse next to clean it up.

### **Irrigation-**

Our tech has been continuing the capping of the trees in the loop this will help the root growth in the trees and to help conserve water, and always still fixing poly lines in the parcels.

**Extras-**

We have continued with the installment or the Southern live oak trees in the parcels we should be completing this project by the end of January.