



STATE OF ARIZONA
CORPORATION COMMISSION
CORPORATION ANNUAL REPORT
& CERTIFICATE OF DISCLOSURE

Arizona Corporation Commission



00073470

DUE ON OR BEFORE 04/19/1999

FILING FEE \$10.00

The following information is required by A.R.S. §10-1622 & §10-11622 for all corporations organized pursuant to Arizona Revised Statutes, Title 10. The Commission's authority to prescribe this form is A.R.S. §10-121.A. & §10-3121.A. **YOUR REPORT MUST BE SUBMITTED ON THIS ORIGINAL FORM.** Make changes or corrections where necessary. Information for the report should reflect the current status of the corporation. See instructions for proper format. **REFER TO THE INSTRUCTIONS ON PAGE 4.**

RECEIVED

MAR 19 1999

ARIZONA CORP COMMISSION
CORPORATIONS DIVISION

-0088734-4

7-20-99

1. CASA DEL MONTE, INC.
4525 N 66TH ST
SCOTTSDALE, AZ 85251

Corporation File Number:

Business Phone: 602.945.3630

(Business phone is optional)

State of Domicile: ARIZONA

Type of Corporation: NON-PROFIT

2. Arizona Statutory Agent: PETER WHEELER REISS
Street Address: 6733 E EXETER BLVD
(NOT P.O. BOX)
City, State, Zip: SCOTTSDALE AZ 85251-

Use this box only if appointing a new Statutory Agent

PD INVC# 699591
ACC USE ONLY

Fee	\$	10
Priority	\$	
Reinstatement	\$	
Expedite	\$	
Total	\$	
FY98-99		

PAID

If appointing a new statutory agent, the new agent **MUST** consent to that appointment by signing below.

I, (individual) or We, (corporation or limited liability company) having been designated the new Statutory Agent, do hereby consent to this appointment until my removal or resignation pursuant to law.

Signature of new Statutory Agent

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ARIZONA CORP COMMISSION
CORPORATIONS DIVISION

3. Secondary Address:
(Foreign Corporations are **REQUIRED** to complete this section.)

4. Check the one category below which best describes the CHARACTER OF BUSINESS of your corporation.

BUSINESS CORPORATIONS

- | | |
|---|---|
| ☐ 1. Accounting | ☐ 20. Manufacturing |
| ☐ 2. Advertising | ☐ 21. Mining |
| ☐ 3. Aerospace | ☐ 22. News Media |
| ☐ 4. Agriculture | ☐ 23. Pharmaceutical |
| ☐ 5. Architecture | ☐ 24. Publishing/Printing |
| ☐ 6. Banking/Finance | ☐ 25. Ranching/Livestock |
| ☐ 7. Barbers/Cosmetology | ☐ 26. Real Estate |
| ☐ 8. Construction | ☐ 27. Restaurant/Bar |
| ☐ 9. Contractor | ☐ 28. Retail Sales |
| ☐ 10. Credit/Collection | ☐ 29. Science/Research |
| ☐ 11. Education | ☐ 30. Sports/Sporting Events |
| ☐ 12. Engineering | ☐ 31. Technology(Computers) |
| ☐ 13. Entertainment | ☐ 32. Technology(General) |
| ☐ 14. General Consulting | ☐ 33. Television/Radio |
| ☐ 15. Health Care | ☐ 34. Tourism/Convention Services |
| ☐ 16. Hotel/Motel | ☐ 35. Transportation |
| ☐ 17. Import/Export | ☐ 36. Utilities |
| ☐ 18. Insurance | ☐ 37. Veterinary Medicine/Animal Care |
| ☐ 19. Legal Services | ☒ 38. Other Homeowner's Association |

NON-PROFIT CORPORATIONS

- | |
|---|
| ☐ 1. Charitable |
| ☐ 2. Benevolent |
| ☐ 3. Educational |
| ☐ 4. Civic |
| ☐ 5. Political |
| ☐ 6. Religious |
| ☐ 7. Social |
| ☐ 8. Literary |
| ☐ 9. Cultural |
| ☐ 10. Athletic |
| ☐ 11. Science/Research |
| ☐ 12. Hospital/Health Care |
| ☐ 13. Agricultural |
| ☐ 14. Animal Husbandry |
| ☐ 15. Homeowner's Association |
| ☐ 16. Professional, commercial industrial or trade association |
| ☐ 17. Other |

5. CAPITALIZATION: (Business Corporations and Business Trusts are **REQUIRED** to complete this section.)

Business trusts must indicate the number of transferable certificates held by trustees evidencing their beneficial interest in the trust estate.

Number of Shares/Certificates Authorized	Class	Series Within Class (if any)
--	-------	------------------------------

NOT APPLICABLE

Number of Shares/Certificates Issued	Class	Series Within Class (if any)
--------------------------------------	-------	------------------------------

6. SHAREHOLDERS: (Business Corporations and Business Trusts are **REQUIRED** to complete this section.)

List shareholders holding more than 20% of any class of shares issued by the corporation, or having more than a 20% beneficial interest in the corporation.

Name: _____	Name: _____
-------------	-------------

NONE ☒

Name: _____	Name: _____
-------------	-------------

7. OFFICERS (If no changes since last report, check here ☒ and go on to Section 8.)

Name: ANNE G WENDELL

Title: PRESIDENT/CEO

Address: 4525 N 66TH ST #34
SCOTTSDALE, AZ 85251-1019

Date taking office: 04-02-96

Name: PAMELA A VIRTUE

Title: SECRETARY

Address: 4525 N 66TH ST ~~#34~~ #134
SCOTTSDALE, AZ 85251-1019

Date taking office: 04-08-97

Name: BOB LAIDLAW

Title: VICE-PRESIDENT

Address: 4525 N 66TH ST ~~#34~~ #19
SCOTTSDALE, AZ 85251-1019

Date taking office: 04-04-94

Name: PAMELA A VIRTUE

Title: TREASURER

Address: 4525 N 66TH ST ~~#34~~ #134
SCOTTSDALE, AZ 85251-1019

Date taking office: 04-08-97

8. DIRECTORS (If no changes since last report, check here ☐ and go on to Section 9.)

Name: LYN MACKENZIE

Address: 4525 N 66TH ST, #37

SCOTTSDALE, AZ 85251-1019

Date taking office: 4-1-98

Name: SAM HALPERN

Address: 6332 E VISTA DR

PARADISE VALLEY, AZ 85253-

Date taking office: 04-02-96

Name: JIM MILLIKEN

Address: 4525 N 66TH ST #60

SCOTTSDALE, AZ 85251-1019

Date taking office: 04-03-95

Name: _____

Address: _____

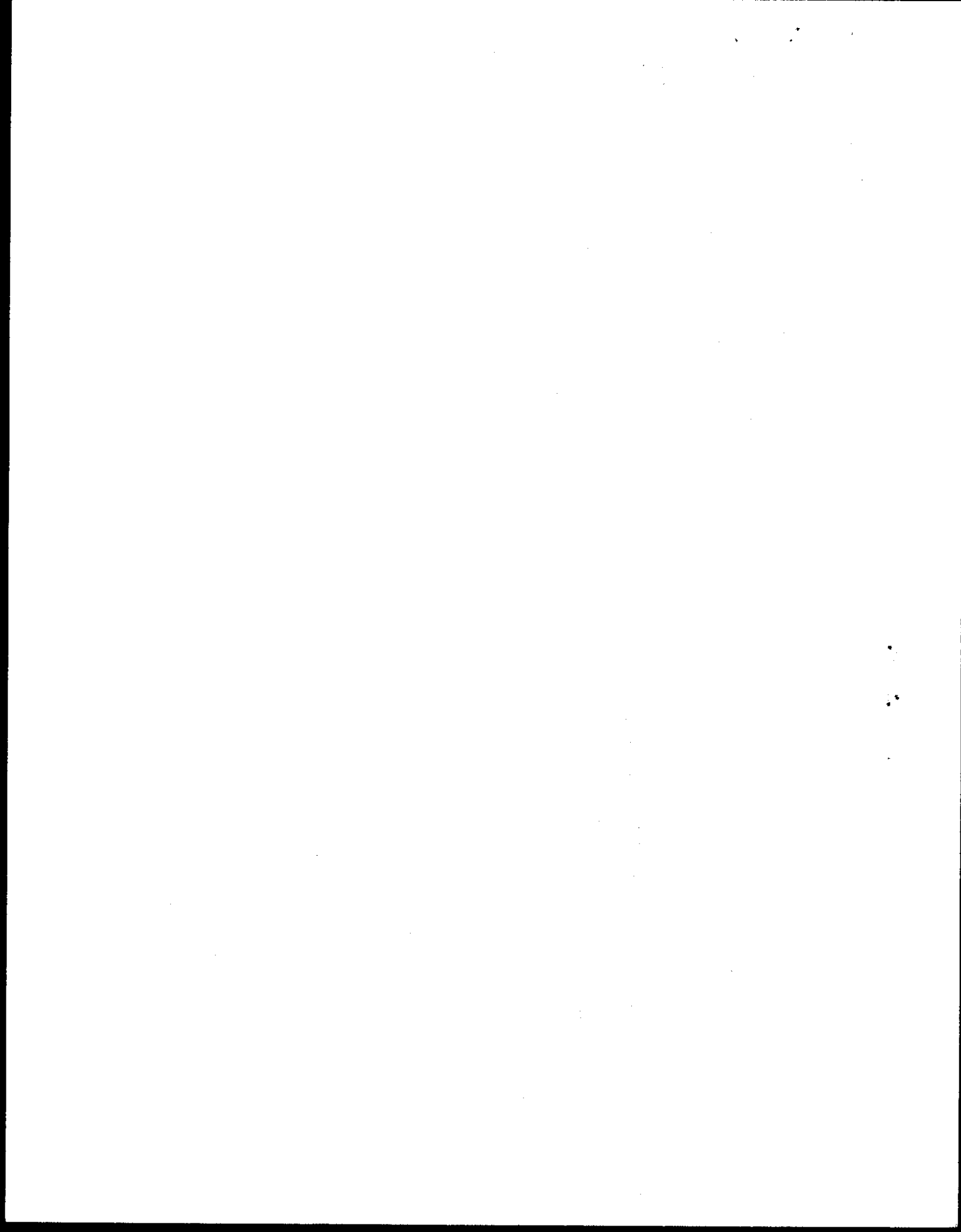
Date taking office: _____

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)	
Assets					
Cash		306,224		325,452	
Trade notes and accounts receivable	1,261		674		
Less allowance for bad debts	()	1,261	()	674	
Inventories					
U.S. government obligations					
Tax-exempt securities (see instructions)					
Other current assets (attach sch.) See St... 5		5,370		4,797	
Loans to stockholders					
Mortgage and real estate loans					
Other investments (attach sch.)					
Buildings and other depreciable assets					
Less accumulated depreciation	()		()		
Depletable assets					
Less accumulated depletion	()		()		
Land (net of any amortization)					
Intangible assets (amortizable only)					
Less accumulated amortization	()		()		
Other assets (attach schedule)					
Total assets		312,855		330,923	
Liabilities and Stockholders' Equity					
Accounts payable		13,533		21,929	
Mortgages, notes, bonds payable in less than 1 year					
Other current liabilities (attach sch.) See St... 6		44,544		34,572	
Loans from stockholders					
Mortgages, notes, bonds payable in 1 year or more					
Other liabilities (attach sch.)					
Capital stock: a Preferred stock					
b Common stock					
Additional paid-in capital					
Retained earnings - Appropriated See St... 7		95,491		115,135	
Retained earnings - Unappropriated		159,287		159,287	
Adjustments to shareholder's equity					
Less cost of treasury stock	()		()		
Total liabilities and stockholders' equity		312,855		330,923	

Note: You are not required to complete Schedules M-1 and M-2 below if the total assets on line 15, column (d) of Schedule L are less than \$25,000.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (See page 16 of instructions.)			
Net income (loss) per books	19,569	7 Income recorded on books this year not included on this return (itemize):	
Federal income tax	2,159	a Tax-exempt interest \$	
Excess of capital losses over capital gains		Stmt 9 53,082	53,082
Income subject to tax not recorded on books this year (itemize):		8 Deductions on this return not charged against book income this year (itemize):	
Expenses recorded on books this year not deducted on this return (itemize):		a Depreciation \$	
a Depreciation		b Contrib carryover \$	
b Contributions carryover \$			
c Travel and entertainment ... \$			
Statement 8 45,746	45,746	9 Add lines 7 and 8	53,082
Add lines 1 through 5	67,474	10 Income (line 28, pg. 1) - line 6 less line 9	14,392

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)				TAXPAYER COPY	
Balance at beginning of year		5 Distributions: a Cash		See Supplemental INFORMATION FOR Schedule M-2 RECONCILIATION	
Net income (loss) per books		b Stock			
Other increases (itemize):		c Property			
SEE SUPPLEMENTAL INFORMATION FOR Schedule M-2 RECONCILIATION		6 Other decreases (itemize):			
		7 Add lines 5 and 6			
4 Add lines 1, 2, and 3		8 Balance at end of year (line 4 less line 7) .			



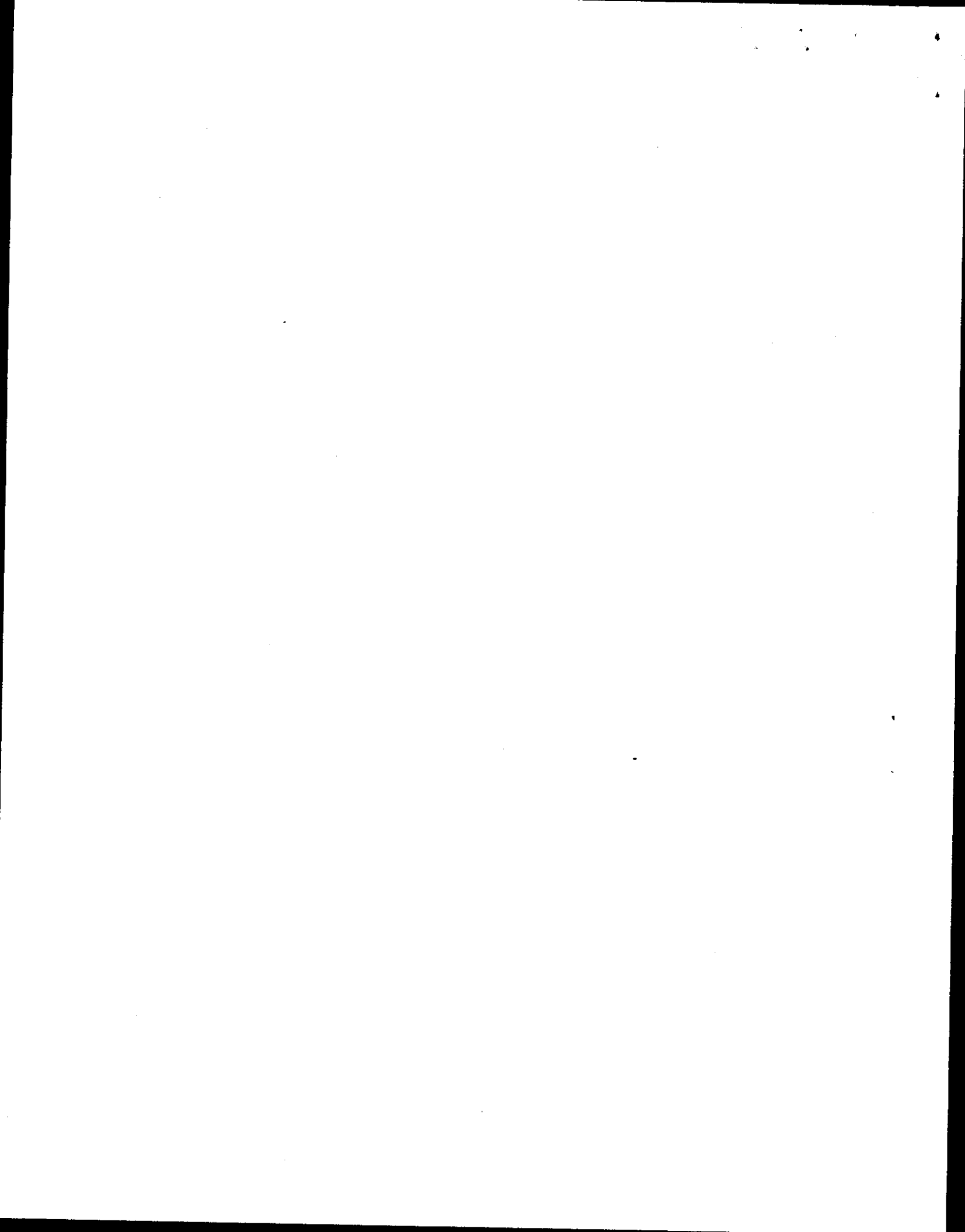
CASA DEL MONTE, INC.

FINANCIAL STATEMENTS

AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 1998

WITH COMPARATIVE TOTALS FOR 1997





JAMES R. MILLER, Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

Board of Directors and Homeowners
Casa Del Monte, Inc.
Scottsdale, Arizona

I have audited the accompanying balance sheet of Casa Del Monte, Inc. (A Condominium Association) as of December 31, 1998, and the related statement of revenues, expenses, and changes in fund balances, and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. My responsibility is to express an opinion on these financial statements based on my audit. Information for the year ended December 31, 1997, is presented for comparative purposes only and was extracted from the financial statements presented by funds for that year, on which I expressed an unqualified opinion on my report dated January 23, 1998.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects the financial position of Casa Del Monte, Inc. (A Condominium Association) as of December 31, 1998, and the results of its operations and changes in its cash flows for the year then ended in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedule of detailed expenses on pages 9 and 10 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The supplementary information on future major repairs and replacements on page 11 is not a required part of the basic financial statements of Casa Del Monte, Inc. (A Condominium Association) but is supplementary information required by the American Institute of Certified Public Accountants. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

February 1, 1998
Scottsdale, Arizona

James R. Miller



INDEPENDENT AUDITOR'S REPORT

Board of Directors and Homeowners
Casa Del Monte, Inc.
Scottsdale, Arizona

I have audited the accompanying balance sheet of Casa Del Monte, Inc. (A Condominium Association) as of December 31, 1998, and the related statement of revenues, expenses, and changes in fund balances, and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. My responsibility is to express an opinion on these financial statements based on my audit. Information for the year ended December 31, 1997, is presented for comparative purposes only and was extracted from the financial statements presented by funds for that year, on which I expressed an unqualified opinion on my report dated January 23, 1998.

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February 1, 1998
Scottsdale, Arizona

CASA DEL MONTE, INC.

BALANCE SHEET
AS OF DECEMBER 31, 1998
WITH COMPARATIVE TOTALS FOR 1997

	1998			1997
	General Operating Fund	Property Repairs and Replacement Fund	Operating Contingency Fund	Total All Funds
<u>ASSETS</u>				
CURRENT ASSETS				
Cash	\$ 3,782	\$ -	\$ -	\$ 3,782
Money market funds, Notes 1 and 2	47,248	115,135	82,287	244,670
Certificates of deposit	-	-	77,000	77,000
Assessments receivable	674	-	-	674
Advances for homeowners' repairs	268	-	-	268
Other current assets	4,529	-	-	4,529
	<u>56,501</u>	<u>115,135</u>	<u>159,287</u>	<u>330,923</u>
Total Current Assets	<u>56,501</u>	<u>115,135</u>	<u>159,287</u>	<u>330,923</u>
TOTAL ASSETS	<u>\$ 56,501</u>	<u>\$ 115,135</u>	<u>\$ 159,287</u>	<u>\$ 330,923</u>
<u>LIABILITIES AND FUND BALANCES</u>				
CURRENT LIABILITIES				
Accounts payable	\$ 21,929	\$ -	\$ -	\$ 21,929
Accrued wages and payroll taxes	3,898	-	-	3,898
Prepaid assessments	30,220	-	-	30,220
Income taxes payable	454	-	-	454
	<u>56,501</u>	<u>-</u>	<u>-</u>	<u>56,501</u>
Total Current Liabilities	<u>56,501</u>	<u>-</u>	<u>-</u>	<u>56,501</u>
FUND BALANCES - Note 1	<u>-</u>	<u>115,135</u>	<u>159,287</u>	<u>274,422</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 56,501</u>	<u>\$ 115,135</u>	<u>\$ 159,287</u>	<u>\$ 330,923</u>

The accompanying notes to the financial statements are an integral part of the financial statements.

CASA DEL MONTE, INC.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 1998
WITH COMPARATIVE TOTALS FOR 1997

	1998				1997
	General Operating Fund	Property Repairs and Replacement Fund	Operating Contingency Fund	Total	Total All Funds
REVENUES					
Assessments	\$ 758,304	\$ 30,000	\$ 30,000	\$ 818,304	\$ 818,304
Miscellaneous	428	-	-	428	4,560
Interest	15,582	-	-	15,582	12,951
Service fees	876	-	-	876	1,977
Property transfer fees	2,250	-	-	2,250	3,000
	<u>777,440</u>	<u>30,000</u>	<u>30,000</u>	<u>837,440</u>	<u>840,792</u>
EXPENSES					
Land rent - Note 4	324,472	-	-	324,472	324,472
Utilities	70,081	-	-	70,081	68,719
Security	96,517	-	-	96,517	90,055
Grounds	169,709	-	-	169,709	178,144
House	13,243	5,742	-	18,985	28,179
Buildings	19,243	40,004	-	59,247	47,386
Administrative	<u>75,511</u>	<u>-</u>	<u>-</u>	<u>75,511</u>	<u>75,863</u>
	<u>768,776</u>	<u>45,746</u>	<u>-</u>	<u>814,522</u>	<u>812,818</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE INCOME TAXES	8,664	(15,746)	30,000	22,918	27,974
Income taxes - Note 3	<u>3,274</u>	<u>-</u>	<u>-</u>	<u>3,274</u>	<u>2,794</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	5,390	(15,746)	30,000	19,644	25,180
Fund balance at beginning of year	-	95,491	159,287	254,778	229,598
Interfund transfers	(5,390)	<u>35,390</u>	(30,000)	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 115,135</u>	<u>\$ 159,287</u>	<u>\$ 274,422</u>	<u>\$ 254,778</u>

The accompanying notes to the financial statements are an integral part of the financial statements.

CASA DEL MONTE, INC.

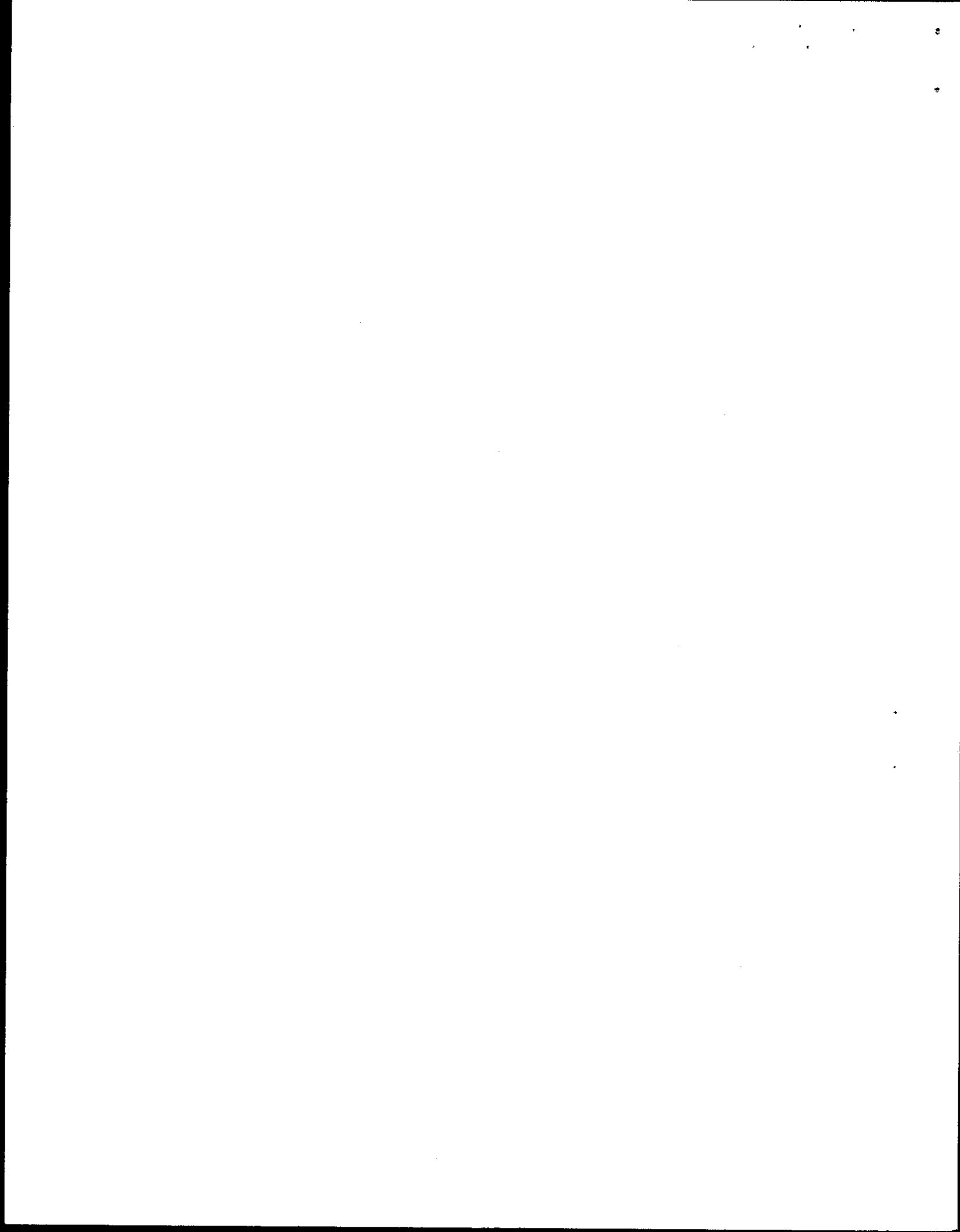
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 1998
WITH COMPARATIVE TOTALS FOR 1997

	1998				1997
	General Operating Fund	Property Repairs and Replacement Fund	Operating Contingency Fund	Total	Total All Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Excess (deficiency) of revenues over expenses	\$ 5,390	(\$ 15,746)	\$ 30,000	\$ 19,644	\$ 25,180
Adjustments to reconcile excess revenues to net cash provided by operating activities:					
(Increase) decrease in:					
Prepaid income taxes	-	-	-	-	300
Assessments receivable	587	-	-	587	(659)
Advances for homeowners' repairs	(268)	-	-	(268)	198
Other current assets	841	-	-	841	954
Increase (decrease) in:					
Accounts payable	8,396	-	-	8,396	(843)
Accrued wages and payroll taxes	(3,625)	-	-	(3,625)	3,684
Prepaid assessments	(6,507)	-	-	(6,507)	4,997
Income taxes payable	160	-	-	160	294
NET CASH PROVIDED (USED BY) FROM OPERATING ACTIVITIES	4,974	(15,746)	30,000	19,228	34,105
CASH FLOWS FROM FINANCING ACTIVITIES:	(5,390)	35,390	(30,000)	-	-
NET INCREASE (DECREASE) IN CASH	(416)	19,644	-	19,228	34,105
CASH - Beginning of year	51,446	95,491	159,287	306,224	272,119
CASH - End of year	\$ 51,030	\$ 115,135	\$ 159,287	\$ 325,452	\$ 306,224

SUPPLEMENTAL DISCLOSURES

Operating activities reflect income taxes paid of \$3,274 and \$2,794
for the years ended December 31, 1998 and 1997, respectively.

The accompanying notes to the financial statements are an integral part of the financial statements.



CASA DEL MONTE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

Organization

Casa Del Monte, Inc., an Arizona Corporation, is an association of homeowners who own residential property at 4525 North 66th Street, Scottsdale, Arizona, in a condominium community commonly known as Casa Del Monte, Inc. The Association's principal function is the management, security, upkeep and maintenance of the common areas and exteriors of individual residences. The Association has no stock. Instead it is owned by its members, the property owners, each according to their respective percentage interest in the horizontal property regime. Casa Del Monte, Inc. consists of 135 residential units located on approximately 18 acres located in Scottsdale, Arizona.

The affairs of the Association are managed by its Board of Directors, officers, and property manager.

Method of Accounting

The Association's financial statements and income tax return are prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned rather than when received in cash, and expenses are recognized when incurred rather than when paid. The Association's accounting period is the calendar year.

Property, Equipment and Depreciation

Real property and common areas acquired by the original homeowners are not capitalized on the Association financial statements as they are owned by the individual owners and not the Association. Common areas are restricted to use by Association members, their tenants and guests.

Replacements and improvements to the real property and common areas are not capitalized as the improvements would also belong to the owners and not the Association.

Fund Accounting

The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund

This fund is used to account for financial resources available for the general operations of the Association. At the end of the year, the excess of revenues over expenses is transferred to the property repairs and replacement fund.

See accountant's report.

CASA DEL MONTE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

Property Repairs and Replacement Fund

This fund is used to accumulate financial resources designated for future major repairs and replacements.

Contingency Fund

This fund is used to accumulate financial resources designated by the board to be used for operating contingencies.

Member Assessments

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, and major repairs and replacements. Assessments receivable at the balance sheet date represent fees due from unit owners. The Association has the right to levy liens on the member's property to insure payment of an assessment due the Association. All assessments receivable are determined to be collectible at December 31, 1998.

NOTE 2 FUTURE MAJOR REPAIRS AND REPLACEMENTS

Funds are required to be accumulated for future major repairs and replacements. Accumulated funds, which aggregate approximately \$115,135 at December 31, 1998, are held in separate accounts and generally are not available for operating purposes. The Board of Directors designated \$30,000 and \$30,000 of assessment fees to be accumulated for future repairs and replacements for the years ended December 31, 1998 and 1997, respectively. It is the Association's policy to allocate interest earned on such funds to the operating fund.

The Association used \$45,746 from the property repairs and replacement fund for roof and carport repairs and replacements, thermal insulated pool covers, and a pool heater for the year ended December 31, 1998. Additional roof repairs and possible replacements are scheduled for the subsequent year.

The Association engaged various consulting services to conduct a study to estimate useful lives and the replacement costs of common property components. The Association is currently funding for such major repairs and replacements over the estimated useful lives of the components based on the various studies' estimates of current replacement costs, considering amounts previously accumulated and future funding to be accumulated in the replacement fund. Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs. If additional funds are needed, however, the Association has the right, subject to member approval, to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available.

See accountant's report.

CASA DEL MONTE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997

NOTE 3 INCOME TAXES

Condominium associations may be taxed either as homeowner associations or as regular corporations. For the year ended December 31, 1998 and 1997, the Association is taxed as a regular corporation. As a regular corporation, membership income is exempt from taxation if certain elections are made, and the Association is taxed only on the nonmember income, such as interest earnings, at regular federal and state corporate rates.

Provision for income taxes consists of the following:

	<u>1998</u>	<u>1997</u>
Federal taxes	\$ 2,172	\$ 1,793
State taxes	<u>1,102</u>	<u>1,001</u>
	3,274	2,794
Estimated taxes paid	(<u>2,820</u>)	(<u>2,500</u>)
Income taxes payable or (prepaid)	<u>\$ 454</u>	<u>\$ 294</u>

NOTE 4 LAND LEASE

The land on which the Association is located (comprised of approximately 18 acres) is leased under a long-term lease, expiring on February 28, 2069.

Lease payments on the prime lease for the years ended December 31, 1998 and 1997, is \$320,000 and \$320,000, respectively, plus 1.4% sales tax. The annual rental will remain fixed until March 1, 2010, at which time the annual payment will be adjusted to an amount equal to 8% of the then current appraised value of the land but not less than the original annual payment of \$72,000.

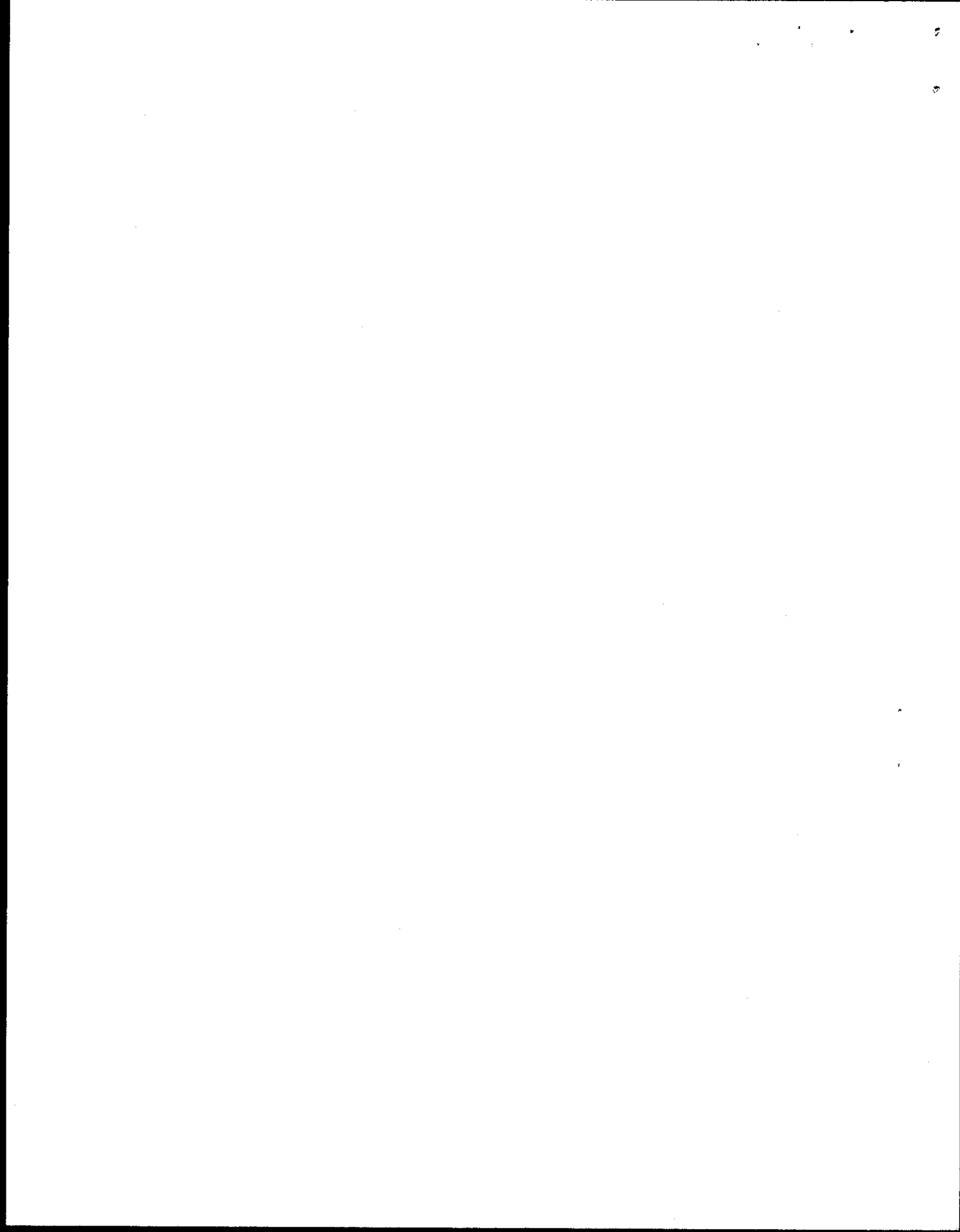
The land is subleased to the owners of the residences under the same terms as the prime lease on the basis of their respective percentage interest in the Horizontal Property Regime.

A summary of future lease payments until March 1, 2010, at the current annual rate excluding sales tax is as follows:

<u>Year Ending</u>	<u>Amount</u>
1999	\$ 320,000
2000	320,000
2001	320,000
2002	320,000
2003	320,000
Subsequent to 2003	<u>1,973,332</u>
	<u>\$ 3,573,332</u>

See accountant's report.

SUPPLEMENTARY INFORMATION



CASA DEL MONTE, INC.

DETAIL OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1998
WITH COMPARATIVE TOTALS FOR 1997

	1998			1997
	General Operating Fund	Property Repairs and Replacement Fund	Operating Contingency Fund	Total All Funds
LAND RENT	<u>\$ 324,472</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 324,472</u>
UTILITIES				
Water	\$ 22,630	\$ -	\$ -	\$ 21,668
Gas	7,516	-	-	7,427
Electricity	19,022	-	-	19,824
Telephone	3,652	-	-	4,219
Sewer and refuse	<u>17,261</u>	<u>-</u>	<u>-</u>	<u>15,581</u>
TOTAL UTILITIES	<u>\$ 70,081</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,719</u>
SECURITY				
Guard security service	\$ 95,004	\$ -	\$ -	\$ 89,088
Other security expense	<u>1,513</u>	<u>-</u>	<u>-</u>	<u>967</u>
TOTAL SECURITY	<u>\$ 96,517</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,055</u>
GROUNDS				
Labor and related costs	\$ 119,944	\$ -	\$ -	\$ 119,821
Landscaping supplies, mowing, and reseeding	17,256	-	-	16,591
Tree trimming and spraying	9,665	-	-	9,697
Sprinkler repairs and parts	4,388	-	-	4,168
Tools and hardware	6,144	-	-	6,191
Electrical supplies and repairs	3,202	-	-	2,440
Exterminating	7,305	-	-	7,200
Golf cart expenses	1,805	-	-	2,472
Street repairs and paving	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,564</u>
TOTAL GROUNDS	<u>\$ 169,709</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 178,144</u>

See accountant's report.

CASA DEL MONTE, INC.

DETAIL OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1998
WITH COMPARATIVE TOTALS FOR 1997

	1998				1997
	General Operating Fund	Property Repairs and Replacement Fund	Operating Contingency Fund	Total	Total All Funds
HOUSE					
Pool service	\$ 3,765	\$ -	\$ -	\$ 3,765	\$ 3,000
Pool furniture, supplies, and repairs	5,179	5,742	-	10,921	3,748
Clubhouse cleaning	930	-	-	930	1,065
Clubhouse supplies and repairs	945	-	-	945	1,520
Permits and licenses	555	-	-	555	755
Recreational facilities	1,531	-	-	1,531	17,461
Fountain supplies and repairs	<u>338</u>	<u>-</u>	<u>-</u>	<u>338</u>	<u>630</u>
TOTAL HOUSE	<u>\$ 13,243</u>	<u>\$ 5,742</u>	<u>\$ -</u>	<u>\$ 18,985</u>	<u>\$ 28,179</u>
BUILDINGS					
Termite control	\$ 6,528	\$ -	\$ -	\$ 6,528	\$ 6,528
Painting	5,297	-	-	5,297	7,308
Roof and stucco maintenance	2,433	40,004	-	42,437	27,397
Other repairs	<u>4,985</u>	<u>-</u>	<u>-</u>	<u>4,985</u>	<u>6,153</u>
TOTAL BUILDINGS	<u>\$ 19,243</u>	<u>\$ 40,004</u>	<u>\$ -</u>	<u>\$ 59,247</u>	<u>\$ 47,386</u>
ADMINISTRATIVE					
Legal fees	\$ 554	\$ -	\$ -	\$ 554	\$ 1,222
Accounting fees	3,945	-	-	3,945	3,863
Administrative salaries and related costs	46,434	-	-	46,434	45,317
Employees' health insurance	7,928	-	-	7,928	7,579
Office supplies	1,558	-	-	1,558	1,911
Property insurance and other administrative expenses	<u>15,092</u>	<u>-</u>	<u>-</u>	<u>15,092</u>	<u>15,971</u>
TOTAL ADMINISTRATIVE	<u>\$ 75,511</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,511</u>	<u>\$ 75,863</u>

See accountant's report.

CASA DEL MONTE, INC.

DETAIL OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1998

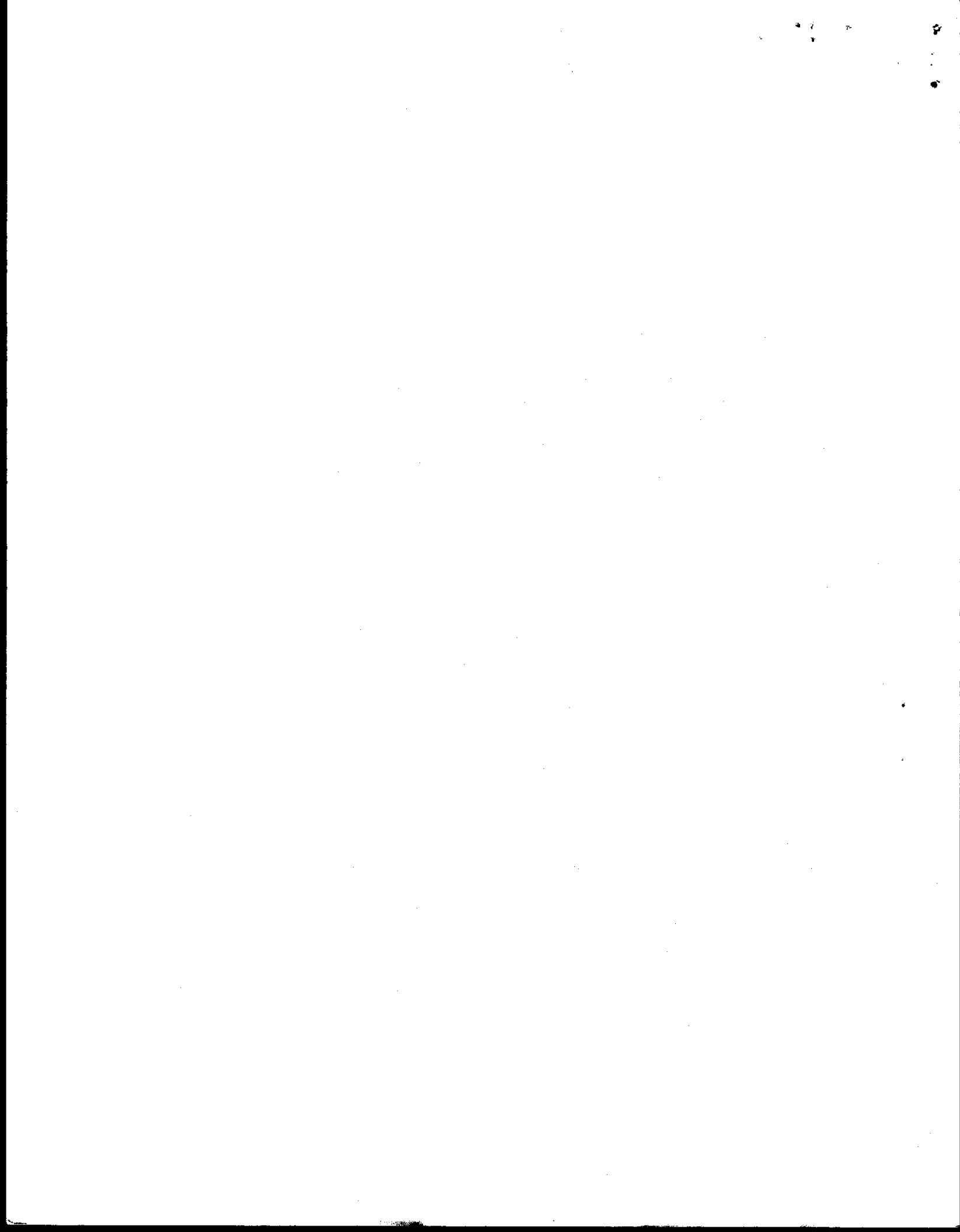
Various services were performed by consultants to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on the estimated costs to repair or replace the common property components. The studies were made during 1993 and updated by management during 1998. Future replacement costs were adjusted for inflation estimates.

The following information is based on the studies and presents significant information about the components of common property. (Amounts are rounded to the nearest hundred dollars.)

<u>Component</u>	<u>Estimated Remaining Useful Life (Years)</u>	<u>Estimated Current Replacement Cost</u>	<u>Replacement Fund 12/31/98</u>
Roof replacements	1 to 2	\$ 10,000	\$ 10,000
Roof repairs and coating	1 to 6	30,000	30,000
Painting	2 to 3	104,000	75,135
Streets	2 to 3	9,000	-
Clubhouse carpet and redecorating	4 to 6	25,000	-
Pools/Jacuzzi	12	20,000	-
Recreation facilities	5 to 7	<u>2,500</u>	<u>-</u>
Totals		<u>\$ 200,500</u>	<u>\$ 115,135</u>

The operating contingency fund has \$159,287 and this amount may be used as designated for property repairs and replacement, if required.

See accountant's report.



9. FINANCIAL DISCLOSURE (A.R.S. §§10-1622.B & 10-11622.A.9)

Only nonprofit corporations must attach a financial statement (balance sheet including assets, liabilities and equity). All other forms of corporations are exempt from filing a financial disclosure.

9A. MEMBERS (A.R.S. § 10-11622.A.6) Nonprofit Corporations Only.

This corporation **does** ☒ **does not** ☐ have members.

10. CERTIFICATE OF DISCLOSURE (A.R.S. §§10-1622.A.8 & 10-2505.A)

Has ANY person serving either by election or appointment as an officer, director, trustee, incorporator and person controlling or holding more than 10% of the issued and outstanding common shares or 10% of any other proprietary, beneficial or membership interest in the corporation been:

1. Convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven year period immediately preceding the execution of this certificate?
2. Convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses or restraint of trade or monopoly in any state or federal jurisdiction within the seven year period immediately preceding execution of this certificate?
3. Or are subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven year period immediately preceding execution of this certificate where such injunction, judgment, decree or permanent order involved the violation of:

- (a) fraud or registration provisions of the securities laws of that jurisdiction, or
- (b) the consumer fraud laws of that jurisdiction, or
- (c) the antitrust or restraint of trade laws of that jurisdiction?

One box must be marked:

YES ☐

NO ☒

If "YES", the following information must be submitted as an attachment to this report for each person subject to one or more of the actions stated in Items 1. through 3. above.

- | | |
|---|---|
| 1. Full name and prior names used. | 5. Date and location of birth. |
| 2. Full birth name. | 6. Social Security Number |
| 3. Present home address. | 7. The nature and description of each conviction or judicial action; the date and location; the court and public agency involved, and the file or cause number of the case. |
| 4. Prior addresses (for immediate preceding 7 year period). | |

11. STATEMENT OF BANKRUPTCY (A.R.S. §10-202.D.2)

Has ANY person serving either by election or appointment as an officer, director, trustee, incorporator and person controlling or holding more than 20% of the issued and outstanding common shares or 20% of any other proprietary, beneficial or membership interest in the corporation served in such capacity or held a 20% interest in any other corporation during the bankruptcy, receivership, or charter revocation of the other corporation?

One box must be marked:

YES ☐

NO ☒

If YES, enter the following:

Chapter _____ Date Filed _____ Case Number _____

If "YES", the following information must be submitted as an attachment to this report for each person subject to the statement above:

- 1) The names and addresses of each corporation and the person or persons involved. 2) The state in which each corporation was a) incorporated b) transacted business. 3) The dates of corporate operation.

12. SIGNATURES

CAUTION: Annual Reports must be signed by a duly authorized officer. Annual Reports submitted with incorrect signatures will be rejected.

I DECLARE, UNDER PENALTY OF LAW, THAT ALL CORPORATE INCOME TAX RETURNS REQUIRED BY TITLE 43 OF THE ARIZONA REVISED STATUTES HAVE BEEN FILED WITH THE ARIZONA DEPARTMENT OF REVENUE.

I further declare under penalty of law that I (we) have examined this report and the certificate, including any attachments, and to the best of my (our) knowledge and belief they are true, correct and complete.

Name ANNE G. WENDELL Date 3-18-99 Name PAMELA ANN VIRTUE Date 3-18-99

Signature Anne Wendell Signature Pamela Ann Virtue

Title PRESIDENT Title SECRETARY / TREASURER

(Signator(s) must be duly authorized corporate officer(s) listed in section 7 of this report.)

Annual Report Instruction Sheet

Page 4

This instruction sheet contains information about the annual reporting process for corporations doing business in Arizona. Every corporation in Arizona must submit an Annual Report to the Corporations Division of the Arizona Corporation Commission once a year. This is the only notice and form you will receive. Corporations must use this Annual Report Form prescribed and furnished by the Arizona Corporation Commission. **No other form or format is allowed.** The Commission's computerized imaging system cannot work with other forms or formats. **IMPORTANT:** This Annual Report must be correctly filled out and submitted by the assigned due date or the corporation may have its authority and operating status revoked by the State of Arizona. Use the check off boxes on this sheet as you complete the form.

The Corporation Commission has completed the form with information we have available regarding the corporation. Please verify each line. Strike out incorrect information by drawing a line through the incorrect data. Correct information should be legibly written above or to the side of the struck, incorrect information.

- ☒ **Section 1.** All corporations must state their name, address, zip code, domicile state, and type (e.g., nonprofit, business, sole, professional, business trust). Please list a business phone number.
- ☒ **Section 2.** All corporations must state the name and address of the current Statutory Agent for the corporation. Correct information about the Statutory Agent is vital to the legitimate authority and status of the corporation. The Statutory Agent **must not** use a P.O. Box. New Statutory Agents must consent to their appointment by signing the appropriate line. A corporation must amend their records at the Commission anytime the Statutory Agent is changed or whenever the Agent's designated mailing address changes.
- ☒ **Section 3.** Foreign (out-of-state/country) corporations must state their known place of business in this state and in the jurisdiction in which they are incorporated. List the primary address in Section 1, and the secondary address in Section 3.
- ☒ **Section 4.** All corporations must check the category that best describes the character of their corporation in the applicable business or nonprofit corporation area.
- ☒ **Section 5.** All business corporations must indicate the number of shares which they have authorized, the class and series. All business trusts must indicate the number of transferable certificates held by trustees.
- ☒ **Section 6.** All business corporations must indicate the list of applicable shareholders.
- ☒ **Section 7.** Please list all principal officers. All corporations must have at least one duly authorized officer.
- ☒ **Section 8.** Please list all directors. All corporations must have at least one director per A.R.S. §§10-803.A & 10-3803.A.
- ☒ **Section 9.** All Nonprofit corporations must file a financial disclosure statement. Nonprofit corporations meet their obligation by attaching one of the following documents: 1) Their most recent copy of Page 2, Form 99 filed with the Arizona Department of Revenue; OR 2) A copy of the corporation's Charitable Organization Financial Statement as filed with the Arizona Secretary of State pursuant to A.R.S. §44-6552; OR 3) A copy of the corporation's Treasurer's Report/Financial Statement prepared for the current fiscal year; OR 4) A copy of the financial statement prepared for the corporation's members; OR 5) A statement that the corporation conducted no business in Arizona in the past year. All other forms of corporations are exempt from filing a financial disclosure. All Nonprofit Corporations must also indicate whether or not the corporation has members.
- ☒ **Section 10.** All corporations must check either YES or NO in the Certificate of Disclosure. Those who check the "YES" box must supply the attachment required and explained in section 10.
- ☒ **Section 11.** All corporations must check either YES or NO in the Statement of Bankruptcy. Those who check the "YES" box must supply the attachment required and explained in section 11.
- ☒ **Section 12.** All corporations must read the declarations in this section. If they have complied, and if they have completed the Annual Report, then the applicable officer(s) listed in section 7 must acknowledge by signing the report. The signer(s) shall be at least one duly authorized officer.
- ☒ **Sign & Mail the Check and Annual Report.** Business corporations must send \$45, Nonprofit corporations \$10.

MAKE CHECK PAYABLE TO:
MAIL OR DELIVER TO:

ARIZONA CORPORATION COMMISSION
c/o Annual Reports - Corporations Division
1300 West Washington or 400 West Congress
Phoenix, AZ 85007-2929 Tucson, AZ 85701-1347

Seek professional advice from your accountant, attorney, or other knowledgeable source if you need help with any section. Business corporations may purchase a copy of the Arizona Business Corporation Act, available from the Corporations Division at 1300 W. Washington (Phoenix) as a source of information. The Annual Reports Section of the Corporations Division cannot give legal or tax advice, but you may call them with your other questions regarding this form at (602) 542-3285.