

Exhibit B



**COMMON AREA, LANDSCAPE AND FINANCIAL ACCEPTANCE BY
GALLERY COMMUNITY ASSOCIATION**

K. Hovnanian Great Western Homes, LLC, including its affiliates (collectively, "K. Hovnanian Homes"), and Gallery Community Association ("HOA") have inspected the project designated below for the purposes of transferring to the HOA all repair, replacement, maintenance and all other obligations pertaining to the project's common areas, including utility fees and costs. The transfer will occur when K. Hovnanian Homes and the HOA completes the bottom portion of this Acceptance. Based on the inspection of the HOA, the HOA accepts the transfer as outlined above from and after the date set forth in the Date of Acceptance column.

Project Name:	<u>Gallery Community Association</u>
Date of Inspection:	<u>February 21, 2017</u>
K. Hovnanian Homes Representative:	<u>Brandon Parkinson, Director of Land Development</u> <u>John Shikany, Land Development Manager</u>
HOA Representatives:	<u>Chris Stavroll (HOA Board Member)</u> <u>Mike Line (Trestle Management Group) HOA BOARD MEMBER</u> <u>Rhonda Harding (Trestle Management Group)</u> <u>Marc Vasquez (Trestle Management Group)</u>

Punch List:

1. K. Hovnanian Homes agrees to contribute \$1,704.35 directly to the Association Reserve Account.
** See Exhibit A for further details **
2. K. Hovnanian Homes performed a significant number of repairs and replacement of the concrete components throughout the community, installation of granite throughout common areas, as well various miscellaneous repairs throughout common areas.
** See Exhibit B for further details **

K. Hovnanian Homes Representative: Jim HARVEY, V.P. FINANCE
Print Name and Title

[Signature]
Signature

8-8-2018
Date

HOA Representative: Michael Line President
Print Name and Title

[Signature]
Signature

8/23/18
Date

Date of Acceptance: 8/23/18
Date

EXHIBIT A - FINANCIAL ANALYSIS

GALLERY COMMUNITY ASSOCIATION

Transition Date: 12/14/2017

Operating Account Reconciliation

29,738.29	Balance as of 12/31/2017
<u>(1,035.36)</u>	Prepaid Assessments as of 11/30/2017
28,702.93	
28,702.93	TOTAL Operating surplus left to HOA from KHOV

Reserve Account Reconciliation

17,693.00	Fully Funded Reserves per RDA 2015 Study as of 12/31/2017
-	2017 Project Not Completed - None
<u>17,693.00</u>	Fully Funded Reserves per RDA 2015 Study as of 12/31/2017
11,565.40	Actual Reserve Balance as of 12/31/2017
<u>13,269.75</u>	75% of Fully Funded Reserves (75% of \$17,693)
(1,704.35)	Difference between Actual and 75% Fully Funded
(1,704.35)	TOTAL Reserve shortfall due from KHOV to HOA
(1,704.35)	TOTAL Operating and Reserve Reconciliation

Gallery Community Association

Balance Sheet
As of 12/31/17

ASSETS

Mutual of Omaha Operating	\$ 29,738.29	
Reserve Money Market Account	11,565.40	
Deposit - SWG 1/19	750.00	
	<hr/>	
TOTAL ASSETS		\$ 42,053.69
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LIABILITIES & EQUITY

CURRENT LIABILITIES:

Subtotal Current Liab.	<hr/>	\$.00
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RESERVES:

General Reserve Funds	\$ 11,565.40	
Subtotal Reserves	<hr/>	\$ 11,565.40

EQUITY:

Retained Earnings - Operating	\$ 3,659.37	
Current Year Net Income/(Loss)	26,828.92	
Subtotal Equity	<hr/>	\$ 30,488.29

TOTAL LIABILITIES & EQUITY		\$ 42,053.69
		=====

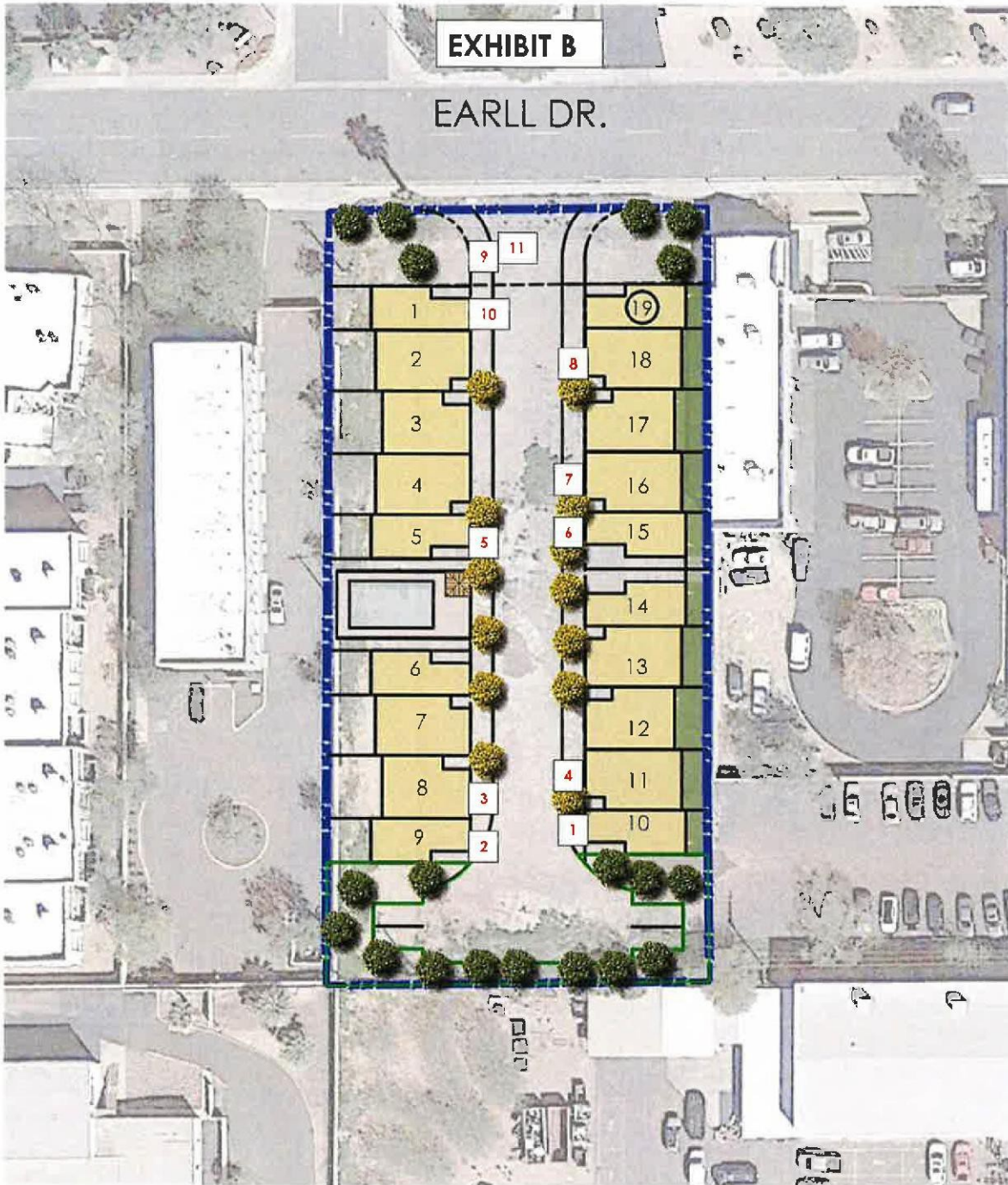
The Gallery
Cash Flow Specific Projections

REPORT DATE: July 14, 2016
VERSION: 001
ACCOUNT NUMBER: 4106

Beginning Accumulated Reserves: \$0

YEAR	CURRENT REPLACEMENT COST	ANNUAL CONTRBTN	ANNUAL INTEREST CONTRBTN	ANNUAL EXPENDTRS	PROJECTED ENDING RESERVES	FULLY FUNDED RESERVES	PERCENT FULLY FUNDED
'17	174,431	19,284	13	0	19,297	17,693	109%
'18	179,089	19,799	43	0	39,139	36,331	108%
'19	183,870	20,328	70	1,845	57,692	53,585	108%
'20	188,780	20,870	101	0	78,663	73,678	107%
'21	193,820	21,427	133	0	100,223	94,806	106%
'22	198,995	22,000	161	2,852	119,532	114,082	105%
'23	204,308	22,587	179	10,401	131,897	126,647	104%
'24	209,763	23,190	214	0	155,307	150,765	103%
'25	215,364	23,809	112	91,365	87,858	82,277	107%
'26	221,114	24,445	149	0	112,451	106,333	106%
'27	227,018	25,098	126	40,124	97,550	90,419	108%
'28	233,079	25,768	126	40,124	97,550	90,419	108%
'29	239,302	26,456	126	40,124	97,550	90,419	108%
'30	245,692	27,162	126	40,124	97,550	90,419	108%
'31	252,252	27,887	256	2,531	185,825	178,916	104%
'32	258,987	28,632	271	18,686	196,041	190,111	103%
'33	265,902	29,396	145	112,805	112,778	105,656	107%
'34	273,001	30,181	190	0	143,149	135,466	106%
'35	280,290	30,987	212	16,197	158,150	150,163	105%
'36	287,774	31,814	259	0	190,224	182,621	104%
'37	295,458	32,664	229	52,306	170,812	163,004	105%
'38	303,346	33,536	279	0	204,627	197,344	104%
'39	311,446	34,431	326	3,125	236,260	230,195	103%
'40	319,761	35,351	379	0	271,990	267,952	102%
'41	328,299	36,295	189	162,987	145,486	140,223	104%
'42	337,065	37,264	231	8,664	174,317	168,630	103%
'43	346,064	38,259	283	3,472	209,387	204,022	103%
'44	355,304	39,280	341	0	249,008	244,843	102%
'45	364,791	40,329	402	0	289,738	287,699	101%
'46	374,531	41,406	463	0	331,608	332,668	100%
'47	384,531	42,511	229	198,359	175,990	176,180	100%

75% of fully funded balance = \$13,269.75



1. R&R 31C5 curb 2 sections will affect driveway - **TRU COMPLETED**
2. R&R 31C4 6 panels 1 curb will affect driveway - **TRU COMPLETED**
3. R&R 31C6 2 panels will affect driveway - **TRU COMPLETED**
4. R&R 31C9 curb - **TRU COMPLETED**
5. R&R 3116 curb will affect driveway - **TRU COMPLETED**
6. R&R 3117 2 curbs will affect driveway - **TRU COMPLETED**
7. R&R 3171 curb - **TRU COMPLETED**
8. Shoot curb for flow / possibly grind curb if needed - **TRU COMPLETED**
9. R&R by mailboxes curb - **TRU COMPLETED**
10. R&R 3174 curb - **TRU COMPLETED**
11. Repair stamped asphalt by entry keypad - **Creative Paving COMPLETED**

Paint Northeast wall white to match others (work around staircase) - **TRU COMPLETED**

Paint inside of pool equipment room - **TRU COMPLETED**

Grout and repair wall by lifeguard sign - **TRU COMPLETED**

Repair driveway under solili by pool area - **TRU COMPLETED**

Repair tilework - **HOA**

Broken cover on skimmer at south end of pool - **HOA**

Add 1/4" minus express brown granite by pool area, southeast retention area, along south wall, and front area basins - **HOA**

Paint top of boundary walls - **TRU COMPLETED**

Maintenance on front gate - **HOA**

Adjust key pad at entry - **TRU COMPLETED**

Repaint stamped asphalt and repair dip by keypad - **Creative Paving COMPLETED**



5700 Tennyson Parkway, STE 140
Plano TX 75024

K. Hovnanian Companies, LLC - Phoenix Group

GALLERY COMMUNITY ASSOCIATION
4025 S MCCLINTOCK DRIVE #208
TEMPE AZ 85282

INVOICE #	DATE	PO#/REFERENCE/JOB COST CODE	GROSS AMOUNT	DISCOUNT	NET AMOUNT
FINAL HOA CLOSEOUT	08/13/18	FINAL HOA CLOSEOUT	1,704.35		1,704.35
CHECK NUMBER	DATE	NAME		VENDOR NO.	TOTAL AMOUNT
58213	8/21/18	Gallery Community Association		285987	\$1,704.35

THE FACE OF THIS DOCUMENT HAS A BLUE AND WHITE BACKGROUND WITH A STEP AND REPEAT PATTERN. A TRUE WATERMARK. HOLD TO LIGHT TO VIEW.



5700 Tennyson Parkway, STE 140
Plano TX 75024

K. Hovnanian Companies, LLC - Phoenix Group

CHECK NO.
00058213

74-478724

DATE OF CHECK
08/21/18

CHECK AMOUNT
\$1,704.35

PAY: ONE THOUSAND SEVEN HUNDRED FOUR AND 35/100 DOLLARS

TO THE ORDER OF GALLERY COMMUNITY ASSOCIATION
4025 S MCCLINTOCK DRIVE #208
TEMPE AZ 85282


Authorized Signature

Comerica Bank
& Trust, N.A.
Ann Arbor, MI

VOID
REDACTED