


1 R. L. Whitmer  
2 6333 N. Scottsdale Rd.  
3 Casita 21  
4 Scottsdale, Arizona 85250  
5 602.531.2615

6 Pro Per

CHRIS DEROSE, CLERK  
BY DEP



L. COOPER, FILED

18 NOV -5 PM 2: 04

7 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**  
8 **IN AND FOR THE COUNTY OF MARICOPA**

9 R. L. WHITMER,

10 Petitioner.

11 v.

12 HILTON CASITAS HOMEOWNERS  
13 ASSOCIATION, also known as  
14 HILTON CASITAS COUNCIL OF  
15 HOMEOWNERS, also known as  
16 COUNCIL OF CO-OWNERS, also  
17 known as HILTON CASITAS  
18 COUNCIL OF CO-OWNERS; and  
19 MICHAEL BENGSON, solely in his  
20 capacity as President of the named  
Respondent, and not personally

Respondents.

**CV2016-055080**

**FIRST AMENDED VERIFIED  
COMPLAINT**

**FOR THE ENFORCEMENT OF AN  
ADMINISTRATIVE LAW ORDER**

**No. 14F-H1415004-BFS**

21 Pursuant to A.R.S §32-2199.02(B), Article 6, § 14 of the Arizona  
22 Constitution, A.R.S. §12-864 and Rule 65(f)<sup>1</sup> Ariz.R.Civ.P, the Petitioner hereby  
23 submits the following VERIFIED COMPLAINT:

24 1. A final order of the Administrative Law Judge Decision No. 14F-  
25 H1415004-BFS (Ex. 1) in this case was entered on January 7, 2015 and certified  
26 on February 18, 2015 by the Arizona Department of Fire, Building and Life Safety.

27 2. The Administrative Law Judge ordered that the Respondents "shall

28 <sup>1</sup> In January 2017 Arizona Rules of Civil Procedure 65(j) was amended and restated into  
Arizona Rules of Civil Procedure 65(f)

1 fully comply with the applicable provisions of A.R.S. § 33-1243(D) in the future.”

2 (Ex. 1, P4:27-28)

3 A.R.S. § 33-1243(D) Except as provided in the  
4 declaration, within thirty days after adoption of any  
5 proposed budget for the condominium, the board of  
6 directors shall provide a summary of the budget to all the  
7 unit owners. Unless the board of directors is expressly  
8 authorized in the declaration to adopt and amend budgets  
9 from time to time, any budget or amendment shall be  
10 ratified by the unit owners in accordance with the  
11 procedures set forth in this subsection. If ratification is  
12 required, the board of directors shall set a date for a  
13 meeting of the unit owners to consider ratification of the  
14 budget not fewer than fourteen nor more than thirty days  
15 after mailing of the summary. Unless at that meeting a  
16 majority of all the unit owners or any larger vote specified  
17 in the declaration rejects the budget, the budget is ratified,  
18 whether or not a quorum is present. If the proposed  
19 budget is rejected, the periodic budget last ratified by the  
20 unit owners shall be continued until such time as the unit  
21 owners ratify a subsequent budget proposed by the board  
22 of directors.

23 3. The Hilton Casitas Condominium was created with the May 22, 1972  
24 recordation of the Declaration of Horizontal Property Regime for Hilton Casitas  
25 (“Declaration”) (Ex. 2) pursuant ARS 33-531 “the Horizontal Property Regime  
26 Act.” The Declaration is the organic contract between the HOA and the  
27 casita/unit owners.

28 4. There is no provision in the Declaration that expressly authorizes the  
board of directors on its own to adopt or amend budgets. Accordingly, the board  
and its officers are required by statute and the administrative law order to secure  
ratification from the unit owners.

5. A.R.S. § 33-1243(D) requires the board of directors to adopt a  
budget, and then circulate the budget to all the units within 30 days of the board  
adopting the budget.

1           6.     On March 24, 2016, the board circulated the meeting notice and a  
2 meeting agenda (Ex. 3) for the annual unit owners meeting that was held on  
3 March 31, 2016.

4           7.     The only board meeting held prior to the March annual unit owners  
5 meeting was held on February 16, 2016 (Ex. 4). As per the agenda of that  
6 meeting, the board did not adopt a 2016 budget.

7           8.     Instead of providing "a summary of the budget to all the unit owners"  
8 prior to annual meeting as required by A.R.S. § 33-1243(D), the board chose to  
9 provide the budget only to the annual meeting attendees. To date, the budget  
10 has never been circulated to "all the unit owners."

11           9.     For more than 10 years, including 2016, the 29 unit owners of Hilton  
12 Casitas have been assessed \$125 a month for Safeguard security<sup>2</sup> (Ex. 5). On  
13 August 25, 2016, the Hilton Casitas board sent out an email (Ex. 6) announcing  
14 that the Safeguard security agreement had been renegotiated, and that there  
15 would be substantial savings. Without amending the budget, the board  
16 announced that they would be putting the savings into a reserve account.

17           10.    Any re-appropriating of assessment payments requires that the  
18 board amend the budget, and then give all of the unit owners the opportunity to  
19 oppose or ratify any budget amendments. No such action was taken.

20           11.    The HOA 2016 legal expenses budget was \$15,000 (Ex. 7) and,  
21 through the actions of its president, was overspent by 20% or \$4,049.20 without  
22 amending the budget as required by A.R.S. § 33-1243.D and the Administrative  
23 Law Judge's order. The overspending is evidenced by the billing records of the  
24 HOA's counsel Mr. Bob Anderson (Ex. 8).

25           12.    The administrative law judge ordered the following: 1) compliance  
26 \_\_\_\_\_

27 <sup>2</sup> In addition, the Scottsdale Hilton Hotel, acting under a management contract (Ex. 9)  
28 with Hilton Casitas, has for more than 10 years diverted \$26.29 of the \$125 a month  
Safeguard assessment (Ex. 5) also without any budget authorization to do so.

1 with A.R.S. § 33-1243(D); 2) ordered Hilton Casitas to pay the petitioner his filing  
2 fees, 3) did not impose sanctions against Hilton Casitas based upon Mr.  
3 Bengson's, now the purported Hilton Casitas president, promise to the tribunal to  
4 "get everything on the right track." (Ex. 1, P2:25). In his testimony, Mr. Bengson  
5 promised that the 2014 budget would be amended and ratified. No such  
6 amendment or ratification ever took place.

7 13. Respondent Bengson is the HOA's president and the actions of the  
8 HOA's board were actually his actions. Mr. Bengson's promises to follow the  
9 statutory provisions of A.R.S. § 33-1243.D regarding the approval and  
10 amendment of the budget were an integral part of the Administrative Law Judge's  
11 decision, who specifically referred to that promise in his decision. Mr Bengson as  
12 the HOA president violated his promise and caused the HOA to violate the  
13 Administrative Law Judge's order by his inactions and actions, knowing that his  
14 inactions and actions would violate the statute and Administrative Law Judge's  
15 order. Mr. Bengson, as president of the HOA, is liable for contempt.

16 14. For the sake of order and clarity, it is expressly stated that this case  
17 and requested relief does not arise of contract, but rather is a matter of statutory  
18 compliance. Specifically, the requested relief is the enforcement of the  
19 Administrative Law Judge's order of No. 14F-H1415004-BFS through contempt of  
20 court proceeding pursuant to A.R.S. § 32.2199.02(B) by finding the HOA and its  
21 president in contempt for failure to comply with the Administrative Law Judge's  
22 order and sanction them as the Court finds appropriate.

23 Petitioner THEREFORE, requests that a hearing be set, and hereby  
24 submits his REQUEST by VERIFIED COMPLAINT to find the Respondents in  
25 contempt of the Administrative Law Decision No. 14F-H1415004-BFS (Ex. 1), and  
26 to sanction Hilton Casitas and its president, Mr. Bengson, as the Court finds  
27 appropriate to insure that in the future Hilton Casitas' board and officers obey the  
28 administrative law order to follow A.R.S. § 33-1243(D).

Dated this 5<sup>th</sup> day of November 2018.

A handwritten signature in black ink, appearing to be 'R. L. Whitmer', written over a horizontal line.

R. L. Whitmer

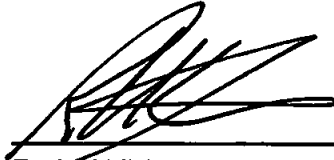
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**VERIFICATION**

Pursuant to **Rule 80(i)** of the Arizona Rules of Civil Procedure, I, R.L. Whitmer, declare under the penalty of perjury that the preceding Complaint is true and correct to the best of our information, knowledge and belief.

Dated this 5<sup>th</sup> day of November 2018.



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R. L. Whitmer  
Petitioner

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## TABLE OF EXHIBITS

**Exhibit:**

1. Administrative Law Judge Decision No. 14F-H1415004-BFS
2. The Declaration of Horizontal Property Regime for Hilton Casitas
3. March 31, 2016 Annual Unit Owners Meeting Notice & Agenda
4. February 16, 2016 Board of Directors Meeting Notice & Agenda
5. Hilton Casitas' Financial Worksheets from 1/2007 to 6/2016
6. August 25, 2016 Hilton Casitas Board Email
7. Billing records for HOA 2016 legal expenses
8. Hilton Casitas 2016 Budget
9. Scottsdale Hilton Hotel Management Contract

# Exhibit 1



1 5. Respondent's Answer to the Petition provided, in relevant part, as follows:

2 **There has been no violation of A.R.S. § 33-1243.**

3 The [Hilton Casitas] consists of twenty-nine (29) homes located  
4 behind the Scottsdale Hilton. In large part, the majority of the  
5 maintenance and management of the Casitas is taken care of by  
6 the hotel. The Association adopts its proposed budget at the  
7 annual meetings and adopted a proposed budget for 2013 at the  
8 annual meeting. The proposed budget was insufficient because  
9 Mr. Whitmer has made multiple legal challenges requiring the  
10 Association's counsel to respond.

9 **TESTIMONY**

10 **Testimony of Michael Bengson**

11 6. Michael Bengson (hereinafter "Mr. Bengson") testified that he was elected to be a  
12 member of the Board for Hilton Casitas in October 2014. Mr. Bengson stated that there  
13 has been no Board meeting since October 15, 2014. Mr. Bengson testified that he  
14 retained Respondent's counsel, Robert Anderson, Esq., as a friend to help Hilton  
15 Casitas out. Mr. Bengson stated that he wanted to resolve the chaos that Hilton  
16 Casitas was currently involved in. Mr. Bengson testified that Hilton Casitas' prior  
17 counsel had resigned and that he felt it was imperative for Hilton Casitas to have legal  
18 representation at the hearing.

19 7. Mr. Bengson testified that he had been a member of the association since May  
20 2011. Mr. Bengson stated that there had not been a meeting of the Board since his  
21 election to the Board on October 15, 2014. Mr. Bengson testified that the Board was  
22 aware of the budget problems and intended to meet soon to adopt an amended budget.

23 8. Mr. Bengson testified that the amended budget would ratify the increased legal  
24 expenses incurred by Hilton Casitas. Mr. Bengson stated that he and the new Board  
25 wanted to "get everything on the right track."

26 **Testimony of Esther Sue Karatz**

27 9. Esther Sue Karatz (hereinafter "Mrs. Karatz") testified that she had previously been  
28 president of the Board for Hilton Casitas. Mrs. Karatz stated that Hilton Casitas' prior  
29 legal counsel was hired on January 31, 2013. Mrs. Karatz acknowledged that there  
30 was no record of the Board's decision to retain legal counsel.

1 10. Mrs. Karatz testified that Hilton Casitas had suffered a computer crash and that  
2 there were no records for meetings or actions of the Board for Hilton Casitas after  
3 January 10, 2013, and that there were no records regarding the retention of Hilton  
4 Casitas' prior legal counsel. Mrs. Karatz said that the majority of the Board approved  
5 the hiring of the prior legal counsel by "a telephone vote."

6 11. Mrs. Karatz acknowledged that Hilton Casitas' legal fees in 2014, substantially  
7 exceeded the amount of money that had been budgeted for legal fees in 2014. Mrs.  
8 Karatz testified that the increased legal expenses were incurred because Petitioner had  
9 filed two or three law suits against Hilton Casitas and that the law suits necessitated  
10 increased legal fees. Mrs. Karatz stated that the increased legal fees had not been  
11 anticipated by Hilton Casitas.

#### 12 PROVISIONS OF LAW REFERENCED AT HEARING

13 1. A.R.S. § 33-1243(D) provides as follows:

14 Except as provided in the declaration, within thirty days after  
15 adoption of any proposed budget for the condominium, the board  
16 of directors shall provide a summary of the budget to all the unit  
17 owners. Unless the board of directors is expressly authorized in  
18 the declaration to adopt and amend budgets from time to time,  
19 any budget or amendment shall be ratified by the unit owners in  
20 accordance with the procedures set forth in this subsection. If  
21 ratification is required, the board of directors shall set a date for a  
22 meeting of the unit owners to consider ratification of the budget  
23 not fewer than fourteen nor more than thirty days after mailing of  
24 the summary. Unless at that meeting a majority of all the unit  
25 owners or any larger vote specified in the declaration rejects the  
26 budget, the budget is ratified, whether or not a quorum is present.  
27 If the proposed budget is rejected, the periodic budget last ratified  
28 by the unit owners shall be continued until such time as the unit  
29 owners ratify a subsequent budget proposed by the board of  
30 directors.

#### 26 CONCLUSIONS OF LAW

27 1. A.R.S. § 41-2198.01 permits an owner or a planned community organization to  
28 file a petition with the Department for a hearing concerning violations of planned  
29 community documents or violations of statutes that regulate planned communities. That  
30

1 statute provides that such petitions will be heard before the Office of Administrative  
2 Hearings.

3 2. The burden of proof at an administrative hearing falls to the party asserting a  
4 claim, right, or entitlement and the standard of proof on all issue in this matter is by a  
5 preponderance of the evidence. See A.A.C. R2-19-119.

6 3. Proof by "preponderance of the evidence" means that it is sufficient to persuade  
7 the finder of fact that the proposition is "more likely true than not." *In re Arnold and*  
8 *Baker Farms*, 177 B.R. 648, 654 (9<sup>th</sup> Cir. BAP (Ariz.) 1994).

9 4. A.R.S. § 33-1243(D) provides that within thirty days after adoption of any  
10 proposed budget for the condominium, the Board shall provide a summary of the budget  
11 to all the unit owners and that unless the Board is expressly authorized in the  
12 declaration to adopt and amend budgets from time to time, any budget or amendment  
13 shall be ratified by the unit owners in accordance with the procedures set forth in this  
14 subsection. Mrs. Karatz acknowledged that Hilton Casitas' legal fees in 2014 exceeded  
15 the amount of money that had been budgeted for legal fees in 2014. Mr. Bengson  
16 stated that there had not been a meeting of the Board since his election to the Board on  
17 October 15, 2014. Mr. Bengson testified that the Board was aware of the budget  
18 problems and intended to meet soon to adopt an amended budget. Mr. Bengson stated  
19 that the amended budget would ratify the increased legal expenses incurred by Hilton  
20 Casitas. Hilton Casitas has not ratified the increased expenses and adopted an  
21 amended budget as required by applicable statute. This Tribunal concludes that Hilton  
22 Casitas failed to comply with the applicable provisions of A.R.S. § 33-1243(D).

23 **RECOMMENDED ORDER**

24 In view of the foregoing, it is ORDERED that Petitioner be deemed the prevailing  
25 party in this matter.

26 It is further ORDERED that Hilton Casitas shall fully comply with the applicable  
27 provisions of A.R.S. § 33-1243(D) in the future.

28 It is further ORDERED that Hilton Casitas shall pay Petitioner his filing fee of  
29 \$550.00, to be paid directly to Petitioner within thirty (30) days of this Order.

30 It is further ORDERED that no civil penalty shall be imposed in this matter.



# Exhibit 2

When recorded return to :  
Paul Wentworth  
Snell & Wilmer  
400 Security Building  
Phoenix, Arizona

DET 9448 PAGE 790

Q2-R MISC.  
129439

149  
50

DECLARATION OF HORIZONTAL PROPERTY REGIME

for

HILTON CASITAS

\*\*\*

STATE OF ARIZONA ) ss  
County of Maricopa )

I hereby certify that the within  
instrument was filed and re-  
corded at request of

INVESTMENT TITLE INSURANCE COMPANY

NOV 22 72-10 10

In Book 9448

at Page 790-846

Witness my hand and official  
seal the day and date aforesaid.

Paul M. Houston

County Recorder

By [Signature]  
County Recorder

70

DECLARATION OF HORIZONTAL PROPERTY REGIME

for

HILTON CASITAS

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# Exhibit 3

**Your Vote Is Important**

**HILTON CASITAS COUNCIL OF HOMEOWNERS, INC.  
NOTICE OF ANNUAL MEETING OF ELIGIBLE MEMBERS  
TO BE HELD ON MARCH 31, 2016**

The Annual Meeting of Eligible Members of the Hilton Casitas Council of Homeowners, Inc., will be held at the Scottsdale Hilton Ballroom, located at 6333 N. Scottsdale Road, Scottsdale, AZ 85250, on March 31, 2016, at 4:30 pm, for the following purposes:

- To elect the Board of Directors for the Association;
- To review Financial Report of the Association;
- To review the approved Budget for 2016;
- To review and vote on Amending Declaration;
- To review and vote on proposed new Rules & Regulations; and
- To review and vote on amending Bylaws.

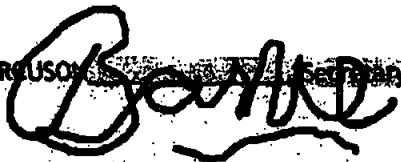
**WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING IN PERSON, PLEASE PROMPTLY FILL IN, DATE, SIGN AND RETURN THE ENCLOSED FORM OF BALLOT, IN THE SELF-ADDRESSED, POSTAGE PREPAID ENVELOPE PROVIDED FOR YOUR CONVENIENCE. THIS BALLOT MAY ALSO BE HAND DELIVERED TO THE PRESIDENT OF THE ASSOCIATION. THE BALLOT CANNOT BE REVOKED.**

Scottsdale, Arizona

Dated: March 24, 2016

By Order of the Board of Directors

\_\_\_\_\_  
BARRIE BERGLUND



\_\_\_\_\_  
SECRETARY

**HILTON CASITAS COUNCIL OF HOMEOWNERS  
AGENDA FOR  
ANNUAL MEETING OF ACTIVE MEMBERS  
MARCH 31, 2016**

- 1. Call meeting to Order-Chairman**
- 2. Roll call**
- 3. Declaration of Quorum**
- 4. Reading of Minutes of Preceding Meeting**
- 5. Vote on election of Board of Directors**
- 6. Formal Announcement of Voting Results re new Board**
- 7. Review Financial Report of the Association**
- 8. Review approved budget for 2016**
- 9. Review and vote on proposed new Rules & Regulations**
- 10. Review and vote on Amending Declaration**
- 11. Discuss Unfinished Business**
- 12. Discuss New Business**
- 13. Adjournment of Meeting**

# Exhibit 4

**R L Whitmer**

---

**Subject:** FW: Scottsdale Hilton Casitas - Board Meeting Notice- (Change of Location!)

On Monday, February 15, 2016 3:40 PM, Evon Potocki <[Evon@cpihoa.com](mailto:Evon@cpihoa.com)> wrote:

**Note: Change of Location!**

## **BOARD OF DIRECTORS MEETING NOTICE**

**The Board of Directors meeting scheduled for:**

**Date:** Tuesday February 16<sup>th</sup>, 2016.

**Located:** Scottsdale Hilton Ballroom

**Time:** 4:30pm

**Agenda:**

- Approve the last Board minutes
- Parking signs
- Noncompliance Issues
- Discuss the amended Declarations.
- Date for annual meeting and vote on the amended Declarations.
- Questions
- Adjourned

Homeowners are welcome to attend!

Thank you-

**The Hilton Casitas Council of Homeowners**

**Evon Potocki**  
*Community Manager*



**Cornerstone Properties, Inc.**  
P.O. Box 62073  
Phoenix, AZ 85082

Office: (602) 433-0331 x103  
Fax: (602) 244-9214  
E-Mail: <mailto:evon@cpihoa.com>  
<http://www.cpihoa.com/>

# Exhibit 5

Scottsdale Hilton Casita Worksheet  
01/31/07 thru 12/31/07

EXPENSES:

Note - Landscaping paid separately

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	2007
City of Scottsdale **	\$ -	\$ -	\$ 728.25	\$ 728.25	\$ 728.25	\$ 728.25	\$ 728.25	\$ 771.82	\$ 770.82	\$ 771.82	\$ 770.82	\$ 770.82	\$ 7,500.35
State farm	\$ -	\$ 1,316.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,316.00
Horizon	\$ 420.00	\$ 804.23	\$ 420.00	\$ 487.56	\$ 420.00	\$ 420.00	\$ 1,731.48	\$ 520.04	\$ 420.00	\$ 420.00	\$ 1,068.10	\$ 420.00	\$ 7,662.41
Safeguard	\$ 2,855.48	\$ 2,844.00	\$ 2,855.49	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 34,319.01
ACE	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 2,400.00
APFS	\$ 34.56	\$ 32.75	\$ 30.48	\$ 33.13	\$ 31.08	\$ 28.33	\$ 33.83	\$ 32.01	\$ 32.86	\$ 33.55	\$ 30.24	\$ 28.87	\$ 363.61
HOA	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 6,960.00
Chwest	\$ 56.95	\$ 57.08	\$ 57.09	\$ 57.09	\$ 57.47	\$ 57.45	\$ 57.47	\$ 56.42	\$ 56.42	\$ 56.42	\$ 56.38	\$ 56.37	\$ 682.61
Treash - Hotel	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 8,700.00
Mgmt Fee - Hotel	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 12,180.00
	\$ 5,887.02	\$ 7,674.08	\$ 6,611.31	\$ 6,668.70	\$ 6,620.47	\$ 6,816.70	\$ 7,834.50	\$ 6,702.88	\$ 6,682.77	\$ 6,664.46	\$ 6,779.21	\$ 7,238.63	\$ 82,103.99
Average cost per Casita	\$ 203.00	\$ 264.62	\$ 227.98	\$ 230.99	\$ 228.29	\$ 228.23	\$ 273.60	\$ 233.21	\$ 228.75	\$ 229.81	\$ 232.04	\$ 249.65	\$ 235.93

\*\* Jan & Feb figures were initially included in the budget activity expense in 2007.

	Original Budget Per Casita	2007 Expenses Per Casita	Variance
City of Scottsdale	\$ 5.40	\$ 21.55	\$ 16.15
State farm	\$ 5.12	\$ 3.78	\$ (1.34)
Horizon - Grounds	\$ 15.00	\$ 22.02	\$ 7.02
Safeguard	\$ 125.00	\$ 98.82	\$ (26.18)
ACE - street sweeping	\$ 3.00	\$ 6.90	\$ 3.90
APFS - elec	\$ -	\$ 1.10	\$ 1.10
HOA	\$ 20.00	\$ 20.00	\$ -
Chwest - gate phone line	\$ 25.00	\$ 1.96	\$ 23.04
Treash - Hotel	\$ 35.00	\$ 25.00	\$ 10.00
Mgmt Fee - Hotel	\$ 203.52	\$ 35.00	\$ 168.52
	\$ 203.52	\$ 235.93	\$ 32.41

Scottsdale Hilton Casita Worksheet  
01/01/08 thru 12/31/08

EXPENSES:

Note - Landfills paid separately

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	2008
City of Scottsdale	\$ 770.82	\$ 770.82	\$ 770.82	\$ 775.82	\$ 770.82	\$ 770.82	\$ 543.48	\$ 543.48	\$ 543.48	\$ 548.48	\$ 548.48	\$ 553.48	\$ 7,910.80
State farm	\$ 420.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 1,400.11	\$ 420.00	\$ 420.00	\$ 420.00	\$ 1,360.13	\$ 480.00	\$ 1,326.00
Horizon	\$ 2,882.87	\$ 2,882.87	\$ 2,882.87	\$ 2,882.87	\$ 2,882.87	\$ 2,882.87	\$ 2,882.87	\$ 2,882.87	\$ 2,882.87	\$ 2,882.87	\$ 2,882.87	\$ 2,882.87	\$ 7,029.24
Safeguard	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 2,400.00
ACE	\$ 34.88	\$ 31.78	\$ 35.07	\$ 31.57	\$ 30.83	\$ 33.32	\$ 31.33	\$ 31.32	\$ 31.32	\$ 31.32	\$ 31.32	\$ 31.32	\$ 283.28
APS	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 6,960.00
HOA	\$ 57.22	\$ 118.27	\$ 98.21	\$ 57.25	\$ 57.25	\$ 57.28	\$ 57.28	\$ 58.50	\$ 57.84	\$ 57.84	\$ 57.89	\$ 57.81	\$ 745.49
Waste	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 8,700.00
Trash - Hotel	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 12,180.00
Mgmt Fee - Hotel	\$ 6,685.59	\$ 6,718.52	\$ 6,884.77	\$ 7,983.31	\$ 6,681.67	\$ 6,884.09	\$ 7,363.64	\$ 6,404.85	\$ 6,483.79	\$ 6,440.47	\$ 7,380.39	\$ 6,507.04	\$ 81,887.83
Average cost per Casita	\$ 229.85	\$ 231.67	\$ 229.82	\$ 275.63	\$ 228.71	\$ 229.80	\$ 254.60	\$ 220.85	\$ 220.82	\$ 222.09	\$ 254.80	\$ 224.38	\$ 296.31

\*\* July, Aug & Sept APS invoices were most likely excluded in this report due to expense in 6/08.

	Original Budget Per Casita	2008 Expenses Per Casita	Variance
City of Scottsdale	\$ 5.40	\$ 22.73	\$ 17.33
State farm	\$ 5.12	\$ 3.61	\$ (1.51)
Horizon - Grounds	\$ 15.00	\$ 20.17	\$ 5.17
Safeguard	\$ 125.00	\$ 98.71	\$ (26.29)
ACE - street sweeping	\$ 3.00	\$ 3.80	\$ 0.80
APS - elec	\$ 20.00	\$ 0.84	\$ 19.16
HOA	\$ 20.00	\$ 20.00	\$ -
Waste - gas phone line	\$ 25.00	\$ 2.14	\$ 22.86
Trash - Hotel	\$ 35.00	\$ 35.00	\$ -
Mgmt Fee - Hotel	\$ 233.52	\$ 235.31	\$ 1.79

Scottsdale Hilton Casita Worthwest  
 6/1/31/09 thru 12/31/09

EXPENSES:

Note - Landscaps field separately

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	2009
City of Scottsdale	\$ 538.48	\$ 543.48	\$ 543.48	\$ 543.48	\$ 543.48	\$ 543.48	\$ 543.48	\$ 543.48	\$ 543.48	\$ 543.48	\$ 543.48	\$ 543.48	\$ 6,480.22
State farm	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 5,760.00
Horizon	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 34,352.04
Safeguard	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 2,400.00
ACE	\$ 31.45	\$ 36.52	\$ 31.57	\$ 32.16	\$ 33.74	\$ 31.91	\$ 32.88	\$ 34.53	\$ 32.48	\$ 30.61	\$ 30.33	\$ 38.65	\$ 398.61
APS	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 6,960.00
MOA	\$ 57.62	\$ 57.81	\$ 57.98	\$ 57.98	\$ 57.98	\$ 59.13	\$ 59.13	\$ 58.24	\$ 59.99	\$ 58.12	\$ 58.99	\$ 58.49	\$ 700.19
OWest	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 8,700.00
Trash - Hotel	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 12,180.00
Mgmt Fee - Hotel	\$ 6,480.22	\$ 6,500.28	\$ 6,485.80	\$ 7,850.31	\$ 6,487.87	\$ 6,486.82	\$ 7,157.19	\$ 6,391.97	\$ 6,276.58	\$ 6,273.86	\$ 6,880.09	\$ 6,282.27	\$ 78,580.25
Average cost per Casita	\$ 223.80	\$ 224.16	\$ 223.99	\$ 270.76	\$ 224.08	\$ 224.03	\$ 246.80	\$ 220.41	\$ 216.43	\$ 216.34	\$ 237.24	\$ 216.63	\$ 228.72

	Original Budget Per Casita	2009 Expenses Per Casita	Variance
City of Scottsdale	\$ 5.40	\$ 14.92	\$ 9.52
State farm	\$ 5.12	\$ 3.80	\$ (1.23)
Horizon - Grounds	\$ 15.00	\$ 21.15	\$ 6.15
Safeguard	\$ 125.00	\$ 98.71	\$ (26.29)
ACE - street sweeping	\$ 3.00	\$ 6.90	\$ 3.90
APS - elec	\$ 20.00	\$ 1.14	\$ 18.86
MOA	\$ 20.00	\$ 20.00	\$ -
OWest - gate phone line	\$ 25.00	\$ 2.01	\$ 22.99
Trash - Hotel	\$ 35.00	\$ 25.00	\$ 10.00
Mgmt Fee - Hotel	\$ 233.52	\$ 35.00	\$ 198.52
	\$ 233.52	\$ 228.72	\$ 4.80

Scottsdale Hilton Casita Worksheet  
01/31/10 thru 12/31/10

EXPENSES:

Note - Landlease paid separately

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	2010
City of Scottsdale	\$ 322.46	\$ 322.46	\$ 322.46	\$ 322.46	\$ 322.46	\$ 322.48	\$ 322.46	\$ 322.46	\$ 569.18	\$ 569.18	\$ 569.18	\$ 569.18	\$ 4,856.40
State farm	\$ 480.00	\$ 480.00	\$ 480.00	\$ 1,354.00	\$ 480.00	\$ 1,353.00	\$ 1,580.05	\$ 561.42	\$ 626.85	\$ 480.00	\$ 1,224.50	\$ 612.76	\$ 1,364.00
Horizon	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 8,871.20
Safeguard	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 2,400.00
ACE	\$ 32.72	\$ 36.57	\$ 33.20	\$ 38.57	\$ 33.77	\$ 34.95	\$ 35.53	\$ 37.17	\$ 34.92	\$ 33.80	\$ 37.02	\$ 35.38	\$ 425.40
APS	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 6,960.00
HDA	\$ 58.99	\$ 58.49	\$ 59.37	\$ 58.51	\$ 58.74	\$ 58.74	\$ 59.05	\$ 58.72	\$ 62.18	\$ 41.88	\$ 61.97	\$ 61.36	\$ 698.96
Qwest	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 8,700.00
Trash - Hotel	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 12,180.00
Mgmt Fee - Hotel	\$ 6,276.84	\$ 6,283.19	\$ 6,277.70	\$ 7,686.21	\$ 6,277.84	\$ 7,161.62	\$ 7,380.38	\$ 6,382.44	\$ 6,677.76	\$ 6,507.31	\$ 7,275.34	\$ 6,681.37	\$ 60,798.00
Average cost per Casita	\$ 216.44	\$ 216.68	\$ 216.47	\$ 263.32	\$ 216.47	\$ 246.61	\$ 254.94	\$ 220.08	\$ 230.27	\$ 224.39	\$ 250.87	\$ 229.70	\$ 232.18

	Original Budget Per Casita	2010 Expenses Per Casita	Variance
City of Scottsdale	\$ 3.40	\$ 13.96	\$ 8.56
State farm	\$ 5.12	\$ 3.89	\$ (1.23)
Horizon - Grounds	\$ 15.00	\$ 10.48	\$ 4.52
Safeguard	\$ 125.00	\$ 58.71	\$ 66.29
ACE - street sweeping	\$ 3.00	\$ 3.90	\$ (0.90)
APS - elec	\$ 20.00	\$ 1.22	\$ 18.78
HDA	\$ 20.00	\$ 20.00	\$ -
Qwest - gate phone line	\$ 25.00	\$ 2.01	\$ 22.99
Trash - Hotel	\$ 35.00	\$ 35.00	\$ -
Mgmt Fee - Hotel	\$ 733.53	\$ 232.18	\$ 501.35

Scottsdale Hilton Casita Worksheet  
01/01/11 thru 12/31/11

EXPENSES:  
Note - Leases paid separately

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	2011
City of Scottsdale	\$ 569.18	\$ 569.18	\$ 569.18	\$ 569.18	\$ 569.18	\$ 569.18	\$ 569.18	\$ 569.18	\$ 569.18	\$ 569.18	\$ 569.18	\$ 569.18	\$ 6,830.16
State farm	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 1,374.00
Horizon	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 2,862.67	\$ 6,754.50
Safeguard	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 2,400.00
ACE	\$ 41.90	\$ 38.44	\$ 39.08	\$ 39.94	\$ 39.07	\$ 40.78	\$ 39.44	\$ 36.81	\$ 34.03	\$ 41.50	\$ 37.62	\$ 36.43	\$ 454.84
APS	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 6,960.00
MOA	\$ 62.28	\$ 62.86	\$ 62.86	\$ 61.92	\$ 62.73	\$ 63.05	\$ 61.53	\$ 61.89	\$ 62.56	\$ 62.57	\$ 62.77	\$ 62.77	\$ 769.58
Chwest	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 8,700.00
Trash - Hotel	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 12,180.00
Mgmt Fee - Hotel	\$ 6,538.03	\$ 6,531.15	\$ 7,903.79	\$ 6,533.71	\$ 6,529.85	\$ 6,535.68	\$ 6,562.82	\$ 6,500.15	\$ 6,526.44	\$ 6,626.63	\$ 7,433.63	\$ 6,531.05	\$ 80,775.13
Average cost per Casita	\$ 225.38	\$ 226.21	\$ 272.54	\$ 226.30	\$ 225.18	\$ 225.37	\$ 225.86	\$ 225.18	\$ 225.12	\$ 228.58	\$ 256.24	\$ 225.21	\$ 232.11

	Original Budget Per Casita	2011 Expenses Per Casita	Variance
City of Scottsdale	\$ 5.40	\$ 19.63	\$ 14.23
State farm	\$ 5.12	\$ 3.85	\$ (1.27)
Horizon - Grounds	\$ 15.00	\$ 18.41	\$ 3.41
Safeguard	\$ 125.00	\$ 98.71	\$ (26.29)
ACE - street sweeping	\$ 3.00	\$ 6.90	\$ 3.90
APS - elec	\$ 20.00	\$ 1.31	\$ (18.69)
MOA	\$ 25.00	\$ 2.21	\$ (22.79)
Chwest - gas phone line	\$ 35.00	\$ 25.00	\$ (10.00)
Trash - Hotel	\$ 233.52	\$ 35.00	\$ (198.52)
Mgmt Fee - Hotel	\$ 232.11	\$ 232.11	\$ -

Scottsdale Hilton Casita Worksheet  
01/15/12 thru 12/31/12

EXPENSES:

Note - Landfill fees paid separately

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	2012
City of Scottsdale	\$ 577.72	\$ 569.18	\$ 569.18	\$ 676.14	\$ 676.14	\$ 676.14	\$ 676.14	\$ 752.12	\$ 751.12	\$ 751.12	\$ 751.12	\$ 1,513.51	\$ 8,188.51
State farm	\$ 480.00	\$ 615.30	\$ 480.00	\$ 480.00	\$ 507.98	\$ 660.55	\$ 480.00	\$ 480.00	\$ 726.39	\$ 480.00	\$ 480.00	\$ 860.00	\$ 1,478.00
Horizon	\$ 2,662.67	\$ 2,662.67	\$ 2,662.67	\$ 2,662.67	\$ 2,662.67	\$ 2,662.67	\$ 2,662.67	\$ 2,662.67	\$ 2,662.67	\$ 2,662.67	\$ 2,662.67	\$ 5,725.34	\$ 6,252.22
Sotsguard	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 400.00	\$ 34,252.04
American Sweeping	\$ 44.80	\$ 58.13	\$ 48.91	\$ 42.23	\$ 37.93	\$ 41.78	\$ 40.59	\$ 42.23	\$ 39.53	\$ 40.87	\$ 40.87	\$ 77.72	\$ 2,480.00
APS	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 580.00	\$ 1,160.00	\$ 514.54
HDA	\$ 62.77	\$ 63.34	\$ 63.35	\$ 63.35	\$ 63.35	\$ 63.23	\$ 127.41	\$ 63.32	\$ 63.08	\$ 63.09	\$ 63.09	\$ 127.91	\$ 6,980.00
Quest/Century Link	\$ 735.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 783.06
Treash - Hotel	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 6,700.00
Mgmt Fee - Hotel	\$ 6,947.86	\$ 6,698.02	\$ 6,544.11	\$ 8,114.39	\$ 6,994.72	\$ 6,624.37	\$ 6,706.81	\$ 9,369.87	\$ 6,964.82	\$ 6,717.55	\$ 4,802.87	\$ 11,704.48	\$ 12,180.00
Average cost per Casita	\$ 226.79	\$ 230.64	\$ 225.66	\$ 279.81	\$ 227.75	\$ 225.32	\$ 231.27	\$ 133.10	\$ 240.17	\$ 231.64	\$ 158.71	\$ 403.60	\$ 235.24

	Original Budget Per Casita	2012 Expenses Per Casita	Variance
City of Scottsdale	\$ 5,410	\$ 23.53	\$ 18.13
State farm	\$ 5,112	\$ 4.22	\$ (0.40)
Horizon - Grounds	\$ 15,000	\$ 18.25	\$ 3.25
Sotsguard	\$ 125,000	\$ 98.71	\$ (26.29)
ACE - street sweeping	\$ 3,000	\$ 6.90	\$ 3.90
APS - elec	\$ 20,000	\$ 1.48	\$ 1.48
HDA	\$ 25,000	\$ -	\$ -
Quest - casita phone line	\$ 25,000	\$ 2.19	\$ 2.19
Treash - Hotel	\$ 35,000	\$ -	\$ -
Mgmt Fee - Hotel	\$ 233.52	\$ 35.00	\$ -
	\$ 233.52	\$ 235.29	\$ 1.77

Scottsdale Milton Caletta Worksheet  
01/31/13 thru 12/31/13

EXPENSES:

Note - Landscapes paid separately

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	2013
City of Scottsdale	\$ 751.12	\$ 751.12	\$ 751.12	\$ 751.12	\$ 751.12	\$ 751.12	\$ 751.12	\$ 683.58	\$ 683.58	\$ 683.58	\$ 683.58	\$ 683.58	\$ 9,675.74
State farm	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 1,290.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 980.00	\$ 1,472.00
Horizon	\$ 2,862.87	\$ 2,862.87	\$ 2,862.87	\$ 2,862.87	\$ 2,862.87	\$ 2,862.87	\$ 2,862.87	\$ 2,862.87	\$ 2,862.87	\$ 2,862.87	\$ 2,862.87	\$ 5,725.34	\$ 6,670.00
Safeguard	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 2,400.00
American Sweeping	\$ 39.14	\$ 41.89	\$ 37.22	\$ 36.44	\$ 37.45	\$ 37.91	\$ 38.74	\$ 37.29	\$ 38.34	\$ 34.93	\$ 35.73	\$ 34.60	\$ 449.48
APS	\$ 960.00	\$ 960.00	\$ 960.00	\$ 960.00	\$ 960.00	\$ 960.00	\$ 960.00	\$ 960.00	\$ 960.00	\$ 960.00	\$ 960.00	\$ 960.00	\$ 6,960.00
HOA	\$ 65.40	\$ 68.07	\$ 63.05	\$ 63.18	\$ 63.06	\$ 64.01	\$ 130.84	\$ 85.13	\$ 85.13	\$ 85.13	\$ 68.18	\$ 65.10	\$ 711.82
Quest/Century Link	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 6,700.00
Treash - Hotel	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 12,180.00
Mgmt Fee - Hotel	\$ 6,718.33	\$ 6,721.55	\$ 6,714.08	\$ 6,713.41	\$ 6,188.30	\$ 6,015.71	\$ 7,591.17	\$ 6,763.64	\$ 6,396.05	\$ 6,785.18	\$ 6,366.16	\$ 10,168.82	\$ 83,571.06
Average cost per Costa	\$ 231.67	\$ 231.78	\$ 231.52	\$ 231.50	\$ 282.29	\$ 235.02	\$ 261.79	\$ 233.92	\$ 137.42	\$ 233.97	\$ 219.59	\$ 351.33	\$ 240.15

	Original Budget Per Costa	2013 Expenses Per Costa	Variance
City of Scottsdale	\$ 5.40	\$ 27.80	\$ 22.40
State farm	\$ 6.12	\$ 4.23	\$ (0.89)
Horizon - Grounds	\$ 15.00	\$ 18.17	\$ 3.17
Safeguard	\$ 125.00	\$ 98.71	\$ (26.29)
ACS - street sweeping	\$ 3.00	\$ 6.90	\$ 3.90
APS - elc	\$ 20.00	\$ 1.29	\$ 18.71
HOA	\$ 20.00	\$ -	\$ 20.00
Quest - gsta phone line	\$ 25.00	\$ 2.05	\$ 22.95
Treash - Hotel	\$ 35.00	\$ -	\$ 35.00
Mgmt Fee - Hotel	\$ 283.52	\$ 240.15	\$ 43.37

Scottsdale Hilton Crestle Workshop  
2014 Expenses

EXPENSES:  
Acct - Landscapes paid quarterly

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	2014 Expenses
Projected Revenues @ \$223.52 per unit (assuming all pay)	\$ 6,772.06	\$ 6,772.06	\$ 6,772.06	\$ 6,772.06	\$ 6,772.06	\$ 6,772.06	\$ 6,772.06	\$ 6,772.06	\$ 6,772.06	\$ 6,772.06	\$ 6,772.06	\$ 6,772.06	\$ 81,264.96
Expenses:													
City of Scottsdale - Sewer	\$ 490.00	\$ 490.00	\$ 490.00	\$ 490.00	\$ 490.00	\$ 490.00	\$ 490.00	\$ 490.00	\$ 490.00	\$ 490.00	\$ 490.00	\$ 490.00	\$ 4,900.00
State Farm - Insurance	\$ 2,892.87	\$ 2,892.87	\$ 2,892.87	\$ 2,892.87	\$ 2,892.87	\$ 2,892.87	\$ 2,892.87	\$ 2,892.87	\$ 2,892.87	\$ 2,892.87	\$ 2,892.87	\$ 2,892.87	\$ 28,928.70
Houston - Landscapes	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 2,000.00
Seaboard Security Inc	\$ 68.28	\$ 68.28	\$ 68.28	\$ 68.28	\$ 68.28	\$ 68.28	\$ 68.28	\$ 68.28	\$ 68.28	\$ 68.28	\$ 68.28	\$ 68.28	\$ 682.80
CenturyLink	\$ 37.04	\$ 37.04	\$ 37.04	\$ 37.04	\$ 37.04	\$ 37.04	\$ 37.04	\$ 37.04	\$ 37.04	\$ 37.04	\$ 37.04	\$ 37.04	\$ 370.40
APS	\$ 593.04	\$ 593.04	\$ 593.04	\$ 593.04	\$ 593.04	\$ 593.04	\$ 593.04	\$ 593.04	\$ 593.04	\$ 593.04	\$ 593.04	\$ 593.04	\$ 5,930.40
NCA Reserve	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 7,250.00
Trash - Hotel	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 10,150.00
Light Fee - Hotel	\$ 683.53	\$ 683.53	\$ 683.53	\$ 683.53	\$ 683.53	\$ 683.53	\$ 683.53	\$ 683.53	\$ 683.53	\$ 683.53	\$ 683.53	\$ 683.53	\$ 6,835.30
Total Expenses	\$ 6,807.75	\$ 6,807.75	\$ 6,807.75	\$ 6,807.75	\$ 6,807.75	\$ 6,807.75	\$ 6,807.75	\$ 6,807.75	\$ 6,807.75	\$ 6,807.75	\$ 6,807.75	\$ 6,807.75	\$ 68,077.50
Profit/Loss (Projected Revenue less Expenses)	\$ 964.31	\$ 964.31	\$ 964.31	\$ 964.31	\$ 964.31	\$ 964.31	\$ 964.31	\$ 964.31	\$ 964.31	\$ 964.31	\$ 964.31	\$ 964.31	\$ 9,187.46

Original Budget Per Cause	2014 Expenses Per Cause	Variance
\$ 5.40	\$ 49.87	\$ 44.47
\$ 5.12	\$ 4.75	\$ 0.37
\$ 15.00	\$ 31.95	\$ 16.95
\$ 123.00	\$ 98.71	\$ 24.29
\$ 3.00	\$ 6.90	\$ 3.90
\$ 29.00	\$ 2.29	\$ 26.71
\$ 24.00	\$ 29.00	\$ 5.00
\$ 35.00	\$ 30.00	\$ 5.00
\$ 233.92	\$ 263.99	\$ 30.07

Extra Expenses  
Houston (in addition to monthly maintenance of \$428)  
June - 18 Tim for palms, 1 hrs dump permit  
Sept-Storm damage/repairs & grid cleanup  
Nov- Irrigation maintenance replacement  
Nov-Writer Outstanding  
City of Scottsdale (Over 3 year back billing for 8 units that have not been invoiced)

\$3,373.62

\$3,732.80

Current monthly sewer expense is \$1011.00 until July 2015  
Increase in City of Scottsdale Sewer for October is back billing for three years on 6 properties (Units 1,2,3,5,6,15)

Scottsdale Nitram Casita Westland  
2014 Expenses

EXPENSES:  
Note - Landlease paid separately

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	2014 Expenses
Projected Revenues @ \$133.63 per unit (assuming all pay)	\$ 6,772.06	\$ 6,772.06	\$ 6,772.06	\$ 6,772.06	\$ 6,772.06	\$ 6,772.06	\$ 6,772.06	\$ 6,772.06	\$ 6,772.06	\$ 6,772.06	\$ 6,772.06	\$ 6,772.06	\$ 81,264.06
Expenses:													
City of Scottsdale - Sewer	\$ 968.83	\$ 963.66	\$ 963.59	\$ 968.83	\$ 967.04	\$ 957.04	\$ 967.04	\$ 964.68	\$ 964.68	\$ 964.68	\$ 1,011.83	\$ 1,011.83	\$ 14,118.18
Scott Farm - Insurance	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 1,340.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 4,654.78	\$ 480.00	\$ 11,178.78
Horizon - Landscapers	\$ 2,862.87	\$ 2,862.67	\$ 2,862.87	\$ 2,862.87	\$ 2,862.67	\$ 2,862.87	\$ 2,862.67	\$ 2,862.87	\$ 2,862.67	\$ 2,862.87	\$ 2,862.67	\$ 2,862.87	\$ 34,362.04
Statewide Security Svc	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 2,400.00
Swat Sweepers	\$ 68.29	\$ 65.30	\$ 65.29	\$ 68.31	\$ 65.33	\$ 65.33	\$ 67.30	\$ 68.69	\$ 68.69	\$ 68.79	\$ 67.39	\$ 68.79	\$ 788.00
CenturyLink	\$ 37.04	\$ 34.16	\$ 34.16	\$ 38.22	\$ 34.32	\$ 34.42	\$ 40.73	\$ 37.96	\$ 41.40	\$ 38.24	\$ 35.85	\$ 41.22	\$ 457.98
APS	\$ 590.00	\$ 590.00	\$ 590.00	\$ 590.00	\$ 590.00	\$ 590.00	\$ 590.00	\$ 590.00	\$ 590.00	\$ 590.00	\$ 590.00	\$ 590.00	\$ 6,960.00
MDA Reserve	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 8,700.00
Trash - Hotel	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 12,180.00
Mgmt Fee - Night	\$ 6,962.83	\$ 6,962.73	\$ 6,962.83	\$ 6,962.83	\$ 6,962.73	\$ 7,222.46	\$ 6,962.73	\$ 6,962.83	\$ 6,962.73	\$ 6,962.83	\$ 6,962.83	\$ 6,962.83	\$ 82,263.04
Total Expenses	\$ (60.75)	\$ (72.65)	\$ (72.65)	\$ (60.75)	\$ (60.75)	\$ (60.75)	\$ (60.75)	\$ (60.75)	\$ (60.75)	\$ (60.75)	\$ (60.75)	\$ (60.75)	\$ (11,268.86)
Profit/Loss (Projected Revenues less Expenses)	\$ 6,832.81	\$ 6,832.81	\$ 6,832.81	\$ 6,832.81	\$ 6,832.81	\$ 6,832.81	\$ 6,832.81	\$ 6,832.81	\$ 6,832.81	\$ 6,832.81	\$ 6,832.81	\$ 6,832.81	\$ 82,532.90
Average cost per Casita (Expenses divided by 79)	\$ 238.65	\$ 238.65	\$ 238.65	\$ 238.65	\$ 238.65	\$ 238.65	\$ 238.65	\$ 238.65	\$ 238.65	\$ 238.65	\$ 238.65	\$ 238.65	\$ 2,953.52
Contracted amount per Casita	\$ (23.13)	\$ (23.13)	\$ (23.13)	\$ (23.13)	\$ (23.13)	\$ (23.13)	\$ (23.13)	\$ (23.13)	\$ (23.13)	\$ (23.13)	\$ (23.13)	\$ (23.13)	\$ (2,830.39)
Shortfall Per Casita	\$ (23.13)	\$ (23.13)	\$ (23.13)	\$ (23.13)	\$ (23.13)	\$ (23.13)	\$ (23.13)	\$ (23.13)	\$ (23.13)	\$ (23.13)	\$ (23.13)	\$ (23.13)	\$ (2,830.39)

Actual Revenue (see 2nd tab "payments")	\$ 6,205.04	\$ 6,205.04	\$ 6,205.04	\$ 6,205.04	\$ 6,205.04	\$ 6,205.04	\$ 6,205.04	\$ 6,205.04	\$ 6,205.04	\$ 6,205.04	\$ 6,205.04	\$ 6,205.04	\$ 75,192.44
Expenses (less above)	\$ 8,652.83	\$ 8,652.73	\$ 8,652.83	\$ 8,652.83	\$ 8,652.73	\$ 8,652.83	\$ 8,652.73	\$ 8,652.83	\$ 8,652.73	\$ 8,652.83	\$ 8,652.83	\$ 8,652.83	\$ 102,553.04
Profit/Loss on Actual Revenue	\$ (657.79)	\$ (657.69)	\$ (657.79)	\$ (657.79)	\$ (657.69)	\$ (657.79)	\$ (657.69)	\$ (657.79)	\$ (657.69)	\$ (657.79)	\$ (657.79)	\$ (657.79)	\$ (27,360.60)

Estim Expenses:

- Horizon (in addition to monthly maintenance of \$480)
- June - 18 Tron lan palms, 1 bin data palms
- Sept - Storm damage/trimmings & ground maintenance
- Nov - Irrigation mainline replacement
- Nov - Heater Overhauling

City of Scottsdale (Oct) 3 year back billing  
for 6 units that have not been invoiced

Current monthly sewer expense is \$111.83 until July 2015  
Increase in City of Scottsdale Sewer for October at back billing for three years on 6 properties (Lots 1,2,3,4,8,19)

\$3,373.82  
\$8,732.80

**Southside Fulton Cassia Worksheet  
2016 Expenses**

EXPENSES:  
Note - Landscapes paid separately

Projected Revenue @ \$233.63 thru April and  
\$288.04 beginning May (accuracy all 2016)

	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2016
Expenses:												
City of Southside - Sewer	\$ 1,011.00	\$ 1,011.00	\$ 1,011.00	\$ 1,011.00	\$ 1,011.00	\$ 942.16	\$ 942.16	\$ 942.16	\$ 942.16	\$ 942.16	\$ 942.16	\$ 11,723.04
State Farm - Insurance	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 1,510.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 1,241.45	\$ 688.59	\$ 1,007.00
Harrison - Landscaping	\$ 2,882.69	\$ 2,882.67	\$ 2,882.67	\$ 2,882.67	\$ 2,882.67	\$ 2,882.67	\$ 2,844.00	\$ 2,844.00	\$ 2,844.00	\$ 2,844.00	\$ 2,844.00	\$ 34,258.59
Ballground Security Svc	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 1,000.00
Beard Sweepers	\$ 88.96	\$ 88.96	\$ 88.96	\$ 88.96	\$ 88.96	\$ 88.96	\$ 88.96	\$ 88.96	\$ 88.96	\$ 88.96	\$ 88.96	\$ 1,000.00
CrumblyLynx	\$ 38.42	\$ 38.42	\$ 38.42	\$ 38.42	\$ 38.42	\$ 38.42	\$ 38.42	\$ 38.42	\$ 38.42	\$ 38.42	\$ 38.42	\$ 462.25
APS	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 6,700.00
MOA Reserve	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 8,700.00
Trash - Hoist	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 12,000.00
Moist Fertil - Hoist	\$ 6,880.00	\$ 6,880.00	\$ 6,880.00	\$ 6,880.00	\$ 6,880.00	\$ 6,880.00	\$ 6,880.00	\$ 6,880.00	\$ 6,880.00	\$ 6,880.00	\$ 6,880.00	\$ 84,087.25
Total Expenses	\$ (209.00)	\$ (209.00)	\$ (209.00)	\$ (209.00)	\$ (209.00)	\$ (209.00)	\$ (209.00)	\$ (209.00)	\$ (209.00)	\$ (209.00)	\$ (209.00)	\$ (764.63)

Profit/Loss (Projected Revenues less Expenses)

	2015 Expenses Per Cassia	2016 Expenses Per Cassia	Variance
City of Southside	\$ 6.40	\$ 39.20	\$ 32.80
State Farm	\$ 5.10	\$ 11.09	\$ 5.99
Harrison - Landscaping	\$ 16.00	\$ 40.34	\$ 24.34
Ballground Security	\$ 125.00	\$ 289.69	\$ 164.69
APS - street sweeping	\$ 3.00	\$ 10.13	\$ 7.13
APS - site	\$ 20.00	\$ 193.50	\$ 173.50
MOA	\$ 28.00	\$ 44.88	\$ 16.88
Crumbly - gate phone line	\$ 28.00	\$ 44.88	\$ 16.88
Trash - Hoist	\$ 35.00	\$ 44.88	\$ 9.88
Moist Fertil - Hoist	\$ 233.53	\$ 39.20	\$ 194.33

**Extra Expenses:**

Worked in addition to monthly maintenance of \$400

April - irrigation repairs	\$ 400.00
May - irrigation repairs & trim palm trees	\$ 200.75
July - trim palm trees	\$ 1,000.00
Nov - winter seeding	\$ 681.45
Dec - irrigation repairs	\$ 400.53

\$1,082.73

Scottsdale Millage Credit Worksheet  
2016 Expenses

EXPENSES:  
Mort - Landbase paid separately

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2015
Projected Revenues @ \$288.04 per unit (assuming air duty)	\$ 6,783.18	\$ 6,351.18	\$ 6,351.18	\$ 6,351.18	\$ 6,351.18	\$ 6,351.18	\$ 6,351.18	\$ 6,351.18	\$ 6,351.18	\$ 6,351.18	\$ 6,351.18	\$ 6,351.18	\$ 110,250.62
Expenses:													
City of Scottsdale - Sewer	\$ 942.18	\$ 942.18	\$ 942.18	\$ 942.18	\$ 942.18	\$ 942.18	\$ 942.18	\$ 942.18	\$ 942.18	\$ 942.18	\$ 942.18	\$ 942.18	\$ 11,306.22
State Park - Irrigation	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00	\$ 5,760.00
Horizon - Landscapers	\$ 2,844.00	\$ 2,844.00	\$ 2,844.00	\$ 2,844.00	\$ 2,844.00	\$ 2,844.00	\$ 2,844.00	\$ 2,844.00	\$ 2,844.00	\$ 2,844.00	\$ 2,844.00	\$ 2,844.00	\$ 34,128.00
Saliguard Security Svc	\$ 44.98	\$ 44.98	\$ 44.98	\$ 44.98	\$ 44.98	\$ 44.98	\$ 44.98	\$ 44.98	\$ 44.98	\$ 44.98	\$ 44.98	\$ 44.98	\$ 539.76
Street Sweeping	\$ 70.00	\$ 70.00	\$ 70.00	\$ 70.00	\$ 70.00	\$ 70.00	\$ 70.00	\$ 70.00	\$ 70.00	\$ 70.00	\$ 70.00	\$ 70.00	\$ 840.00
City of Scottsdale - Snow	\$ 1,848.36	\$ 1,848.36	\$ 1,848.36	\$ 1,848.36	\$ 1,848.36	\$ 1,848.36	\$ 1,848.36	\$ 1,848.36	\$ 1,848.36	\$ 1,848.36	\$ 1,848.36	\$ 1,848.36	\$ 22,180.32
MOA Reserve	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 8,700.00
Trash - Hotel	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 1,015.00	\$ 12,180.00
Hotel Fee - Hotel	\$ 7,888.48	\$ 7,724.61	\$ 9,329.78	\$ 7,882.74	\$ 8,252.61	\$ 7,882.77	\$ 8,503.65	\$ 3,395.71	\$ 6,503.65	\$ 8,382.16	\$ 6,382.16	\$ 6,382.16	\$ 77,382.16
Total Expenses	\$ 6,822.68	\$ 6,575.53	\$ 6,947.63	\$ 6,882.42	\$ 6,313.35	\$ 6,882.69	\$ 6,882.69	\$ 4,983.45	\$ 6,503.65	\$ 8,382.16	\$ 6,382.16	\$ 6,382.16	\$ 77,382.16
Profit/Loss (Projected Revenue less Expenses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 32,868.46

	Original Budget Per Costs	2016 Expenses Per Costs	Variance
City of Scottsdale	\$ 5.40	\$ 5.40	\$ 0.00
State Park	\$ 3.12	\$ 3.12	\$ 0.00
Horizon - Landscapers	\$ 13.00	\$ 13.00	\$ 0.00
Saliguard	\$ 125.00	\$ 125.00	\$ 0.00
ACE - street sweeping	\$ 3.00	\$ 3.00	\$ 0.00
MOA	\$ 20.00	\$ 20.00	\$ 0.00
Hotel - green phone line	\$ 25.00	\$ 25.00	\$ 0.00
Trash - Hotel	\$ 35.00	\$ 35.00	\$ 0.00
Hotel Fee - Hotel	\$ 233.33	\$ 233.33	\$ 0.00
	\$ 323.33	\$ 323.33	\$ 0.00

Extra Expenses  
Mortgage (in addition to monthly refinancing of \$400)  
July - thru 18 points

\$ 372.00  
\$ 815.00  
\$ 1,187.00

# Exhibit 6

**The Hilton Casitas Council of Homeowners**  
6333 N. Scottsdale Rd.  
Scottsdale, AZ 85250

Received 8/27/16 + 90 days  
11/20/16

August 22<sup>nd</sup>, 2016

Casita Owners,

Enclosed are the new "Rules and Regulations" for our community. The old "Rules and Regulations" have been replaced in its entirety by these new Rules and Regulations. The Board has also made changes to our Safeguard Security agreement. They are as follows:

- Monitoring of individual Casitas will terminate 10/01/2016. You may contact Safeguard direct if you would like to continue service individually at your expense. The plans start at \$35/month.
- Safeguard Patrol/vacation service will terminate 10/01/2016 as well. Again if the vacation service is important. You may contact Safeguard direct and they can let you know the costs etc.

Your next question should be: Will our monthly dues be going down?? The answer is "yes" in the long run. Let me tell you the 12-18-month plan:

- Install security cameras at the gates and at least looking down 2 streets.
- Having one management company to oversee all of the violations, finances, financial reports, and provide a Community website for owners to access all information such as Minutes of meetings, HOA financial reports, meeting information and dates.
- Repave our streets at the same time the hotel repaves their parking lot. This will be 12-18 months from now.

The savings from the Safeguard changes and management company changes will be used to build a reserve to pay for the paving and install the new security cameras. We will have those exact costs in the next 90 days. When the reserves are adequate to pay for these capital expenditures we will then reduce the monthly HOA dues to less than \$200/month!!!

The reserves and timing are also subject to our legal expenses. If we are assured these fees will be minimized, we can accomplish our goal sooner.

Please bear with us as we make these changes which will be positive for all of us in the long run.

Please let me know if you have any questions.

Best Regards-

Board of Directors  
The Hilton Casitas Council of Homeowners

# Exhibit 7

# Exhibit 7

Hilton Casitas Council of Homeowners

2016 Budget

Beginning Cash	\$ 12,111.71	\$12,111.71
Added Cash receipts	\$ 19,780.32	100,585.92
		<hr/>
Total Cash	\$ 31,892.03	\$112,697.63
Estimated Expenses		
Accounting	\$ 400.00	
Legal	\$ 15,000.00	
Bank Fees	\$ 360.00	
Manangement	\$ 3,000.00	
Misc		
Total	\$ 18,760.00	- 18,760.00
Estimated ending cash	\$ 13,132.03	<hr/>
		- \$13,132.03

Based on no change in the monthly dues of \$289.04

\* \$ 80,805.60 out of balance

X 29 casitas  
\$8,382.16  
X 12 months

Total Annual Receipts \$100,585.92

\* Plaintiff's notes & analysis.

**Hilton Casitas Council of Homeowners**

<b>2016 Budget</b>		<b>2015 Actual expenses</b>	<b>2015 Budget Expenses</b>
Beginning Cash	\$ 12,111.71	\$ 13,641.26	\$ 13,641.26
Added Cash receipts	\$ 19,780.32	\$ 19,383.60	\$ 19,780.32
<b>Total Cash</b>	<b>\$ 31,892.03</b>	<b>\$ 33,024.86</b>	<b>\$ 33,421.58</b>
<b>Estimated Expenses</b>			
Accounting	\$ 400.00	\$ 400.00	\$ 400.00
Legal	\$ 15,000.00	\$ 17,059.72	\$ 14,500.00
Bank Fees	\$ 360.00	\$ 29.95	\$ 360.00
Manangement	\$ 3,000.00	\$ 2,838.48	\$ 2,500.00
Misc		\$ 585.00	\$ -
<b>Total</b>	<b>\$ 18,760.00</b>	<b>\$ 20,913.15</b>	<b>\$ 17,760.00</b>
Estimated ending cash	\$ 13,132.03	\$ 12,111.71	\$ 15,661.58

**Based on no change in the monthly dues of \$289.04**

# Exhibit 8

<b>Hilton Casitas 2016 Legal Expenses</b>			
<b>Clark Hill Invoices</b>		<b>Monthly</b>	<b>Year to date</b>
<b>February 16, 2016</b>		<b>\$97.50</b>	<b>\$97.50</b>
<b>March 24, 2016</b>		<b>\$2,145.00</b>	<b>\$2,242.50</b>
<b>April 28, 2016</b>		<b>\$5,037.50</b>	<b>\$7,280.00</b>
<b>May 28, 2016</b>		<b>\$455.00</b>	<b>\$7,735.00</b>
<b>June 29, 2016</b>		<b>\$812.50</b>	<b>\$8,547.50</b>
<b>July 28, 2016</b>		<b>\$2,730.00</b>	<b>\$11,277.50</b>
<b>August 29, 2016</b>		<b>\$260.00</b>	<b>\$11,537.50</b>
<b>September 27, 2016</b>		<b>\$694.70</b>	<b>\$12,232.20</b>
<b>September 27, 2016</b>		<b>\$4,095.00</b>	<b>\$16,327.20</b>
<b>October 28, 2016</b>		<b>\$257.00</b>	<b>\$16,584.20</b>
<b>November 15, 2016</b>		<b>\$715.00</b>	<b>\$17,299.20</b>
<b>November 15, 2016</b>		<b>\$1,155.00</b>	<b>\$18,454.20</b>
<b>December 8, 2016</b>		<b>\$595.00</b>	<b>\$19,049.20</b>
<b>TOTAL</b>		<b>\$19,049.20</b>	

# CLARK HILL

P.L.C.

ATTORNEYS AT LAW

14850 N. Scottsdale Road, Suite 500  
Scottsdale, AZ 85254  
Telephone (480) 684-1100  
Fed.ID # 38-0425840

## INVOICE

Invoice # 639112

Hilton Casitas Council of Homeowners  
Attn: Michael Bengson  
6333 N. Scottsdale Road  
Unit 10  
Scottsdale, AZ 85250-5428

February 16, 2016  
Client: 48320  
Matter: 179849

=====

RE: Condominium Reorganization and Whitmer Dispute

FOR SERVICES RENDERED through January 31, 2016

Total Services:			\$97.50
INVOICE TOTAL			\$97.50
12/16/15	631943	\$357.50	
Outstanding Balance:			<u>\$357.50</u>
TOTAL AMOUNT DUE			<u>\$455.00</u> =====

PAYABLE UPON RECEIPT IN U.S. DOLLARS

**CLARK HILL P.L.C.**

Hilton Casitas Council of Homeowners  
Condominium Reorganization and Whitmer Dispute

February 16, 2016

INVOICE # 639112

Page 2

DETAILED DESCRIPTION OF SERVICES

01/22/16	Review memorandum from Corey R Anderson regarding status of litigation (.1) (No Charge); review letter from LeMan Witter regarding invalid assessment (.3).	.30	97.50
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\$97.50

TIMEKEEPER SUMMARY

RGA	Robert G. Anderson	0.30 hours at \$325.00 =	\$97.50
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# CLARK HILL

P.L.C.

ATTORNEYS AT LAW

14850 N. Scottsdale Road, Suite 500  
Scottsdale, AZ 85254  
Telephone (480) 684-1100  
Fed.ID # 58-0423840

## INVOICE

Invoice # 645220

Hilton Casitas Council of Homeowners  
Attn: Michael Bengson  
6333 N. Scottsdale Road  
Unit 10  
Scottsdale, AZ 85250-5428

March 24, 2016  
Client: 48320  
Matter: 179849

=====

RE: Condominium Reorganization and Whitmer Dispute

FOR SERVICES RENDERED through February 29, 2016

Total Services:			\$1,690.00
INVOICE TOTAL			\$1,690.00
12/16/15	631943	\$357.50	
02/16/16	639112	\$97.50	
Outstanding Balance:			<u>\$455.00</u>
TOTAL AMOUNT DUE			<u>\$2,145.00</u> =====

PAYABLE UPON RECEIPT IN U.S. DOLLARS

# CLARK HILL P.L.C.

Hilton Casitas Council of Homeowners  
Condominium Reorganization and Whitmer Dispute  
March 24, 2016  
INVOICE # 645220  
Page 2

## DETAILED DESCRIPTION OF SERVICES

02/11/16	Review comments to Declaration from Board members and Reply.	R Anderson	.90	292.50
02/12/16	Review and revise Declaration.	R Anderson	2.80	910.00
02/16/16	Review Declaration and bylaws; attend Homeowners Association Board meeting (No Charge).	R Anderson	3.20	NO CHARGE
02/24/16	Revise Declaration per Board's comments (2.2); telephone call to M. Bengson regarding changes to Declaration (.3). (Discount 1.0 hours from total).	R Anderson	1.50	487.50

\$1,690.00

## TIMESHEET SUMMARY

RGA	Robert G. Anderson	3.20 hours at	\$0.00 =	\$0.00
RGA	Robert G. Anderson	5.20 hours at	\$325.00 =	\$1,690.00

# CLARK HILL

P.L.C.

ATTORNEYS AT LAW

14850 N. Scottsdale Road, Suite 500  
Scottsdale, AZ 85254  
Telephone (480) 684-1100  
Fed.ID # 38-0425840

## INVOICE

Invoice # 649885

Hilton Casitas Council of Homeowners  
Attn: Michael Bengson  
6333 N. Scottsdale Road  
Unit 10  
Scottsdale, AZ 85250-5428

April 28, 2016  
Client: 48320  
Matter: 179849

RE: Condominium Reorganization and Whitmer Dispute

FOR SERVICES RENDERED through March 31, 2016

Total Services: \$2,892.50

INVOICE TOTAL \$2,892.50

12/16/15	631943	\$357.50
02/16/16	639112	\$97.50
03/24/16	645220	\$1690.00

Outstanding Balance: \$2,145.00

TOTAL AMOUNT DUE \$5,037.50

PAYABLE UPON RECEIPT IN U.S. DOLLARS

# CLARK HILL P.L.C.

Hilton Casitas Council of Homeowners  
Condominium Reorganization and Whitmer Dispute  
April 28, 2016  
INVOICE # 649885  
Page 2

## DETAILED DESCRIPTION OF SERVICES

03/10/16	Review memorandum regarding voting for Board (.1); review condominium statutes and reply to B. Pollock, review issue of short term leases (.2); telephone call to M. Bengson regarding lease issue on Declaration, Whitmer's recent actions, HOA meeting, revision of rules and regulations (.8); research case law on amending Declaration, scope of amendment, (.9); review original declaration regarding rental issue and new Declaration (.7); memorandum to S. Pollock regarding amendment and fines for violating rules and regulations (.2).	R Anderson	2.90	942.50
03/14/16	Telephone call from S. Pollock regarding Declaration and leasing issue (No Charge).	R Anderson	.20	NO CHARGE
03/15/16	Review and revise Declaration in final format.	R Anderson	1.00	325.00
03/15/16	Telephone call to M. Bengson regarding meeting (.2); review Declaration and make revisions to Declaration (.5).	R Anderson	.70	227.50
03/21/16	Telephone call from M. Bengson regarding annual meeting (No Charge).	R Anderson	.20	65.00

# CLARK HILL P.L.C.

Hilton Casitas Council of Homeowners  
Condominium Reorganization and Whitmer Dispute  
April 28, 2016  
INVOICE # 649885  
Page 3

03/23/16	Prepare letter to members, Notice of Meeting and Agenda, review Absentee ballot.	R Anderson	1.30	422.50
03/24/16	Telephone call to M. Bengson regarding rules and regulations (.2); review memorandum from E. Sluder (.2).	R Anderson	.40	130.00
03/28/16	Telephone call from S. Pollock regarding issues with violation of rules and regulations.	R Anderson	.40	130.00
03/29/16	Review letter from attorney R. Porter regarding new Declaration.	R Anderson	.30	97.50
03/30/16	Review emails and prepare for meeting (.5); telephone call from Mike regarding corporation not ready to ratify new declaration, rules and regulations, issues at meeting (.8).	R Anderson	1.30	422.50
03/31/16	Review email from Cameron and Lamar regarding issues with Declaration (.1); telephone call to Mike B. regarding agenda, Cameron letter (.2); review email from Pollock (.1); Attend HOA meeting (2.1 No Charge).	R Anderson	.40	130.00

\$2,892.50

## TIMEKEEPER SUMMARY

RGA	Robert G. Anderson	0.20 hours at	\$0.00 =	\$0.00
RGA	Robert G. Anderson	8.90 hours at	\$325.00 =	\$2,892.50

# CLARK HILL

P.L.L.C.

ATTORNEYS AT LAW

14850 N. Scottsdale Road, Suite 500  
Scottsdale, AZ 85254  
Telephone (480) 684-1100  
Fed.ID # 33-0425840

## INVOICE

Invoice # 655227

Hilton Casitas Council of Homeowners  
Attn: Michael Bengson  
6333 N. Scottsdale Road  
Unit 10  
Scottsdale, AZ 85250-5428

May 28, 2016  
Client: 48320  
Matter: 179849

=====

RE: Condominium Reorganization and Whitmer Dispute

FOR SERVICES RENDERED through April 30, 2016

Total Services: \$455.00

INVOICE TOTAL \$455.00

12/16/15	631943	\$357.50
02/16/16	639112	\$97.50
03/24/16	645220	\$1690.00
04/28/16	649885	\$2892.50

Outstanding Balance: \$5,037.50

TOTAL AMOUNT DUE \$5,492.50  
=====

PAYABLE UPON RECEIPT IN U.S. DOLLARS

**CLARK HILL P.L.C.**

Hilton Casitas Council of Homeowners  
Condominium Reorganization and Whitmer Dispute  
May 28, 2016  
INVOICE # 655227  
Page 2

DETAILED DESCRIPTION OF SERVICES

04/14/16	Review memoranda regarding amended declaration and lease issue (No Charge).	R Anderson	.20	NO CHARGE
04/25/16	Telephone call from M. Bengson regarding revised rules and regulations and enforcing liens.	R Anderson	.30	97.50
04/30/16	Work on revised and updated Rules and Regulations.	R Anderson	1.10	357.50

\$455.00

TIMEKEEPER SUMMARY

RGA	Robert G. Anderson	0.20 hours at	\$0.00 =	\$0.00
RGA	Robert G. Anderson	1.40 hours at	\$325.00 =	\$455.00

# CLARK HILL

P.L.C.

ATTORNEYS AT LAW

14850 N. Scottsdale Road, Suite 500  
Scottsdale, AZ 85254  
Telephone (480) 684-1100  
Fed. ID # 38-0425840

## INVOICE

Invoice # 660064

Hilton Casitas Council of Homeowners  
Attn: Michael Bengson  
6333 N. Scottsdale Road  
Unit 10  
Scottsdale, AZ 85250-5428

June 29, 2016  
Client: 48320  
Matter: 179849

RE: Condominium Reorganization and Whitmer Dispute

FOR SERVICES RENDERED through May 31, 2016

Total Services: \$812.50

INVOICE TOTAL \$812.50

12/16/15	631943	\$357.50
02/16/16	639112	\$97.50
03/24/16	645220	\$1690.00
04/28/16	649885	\$2892.50
05/28/16	655227	\$455.00

Outstanding Balance: \$5,492.50

TOTAL AMOUNT DUE \$6,305.00

PAYABLE UPON RECEIPT IN U.S. DOLLARS

# CLARK HILL P.L.C.

Hilton Casitas Council of Homeowners  
Condominium Reorganization and Whitmer Dispute  
June 29, 2016  
INVOICE # 660064  
Page 2

## DETAILED DESCRIPTION OF SERVICES

05/10/16	Review letter from L. Whitmer regarding assessments.	R Anderson	.20	65.00
05/18/16	Telephone call to M. Bengson regarding new Rules and Regulations;	R Anderson	.40	130.00
05/19/16	Telephone call from M. Bengson regarding Witmer lawsuit and rules and regulations.	R Anderson	.40	130.00
05/25/16	Work on rules and regulations.	R Anderson	1.50	487.50

\$812.50

## TIMEKEEPER SUMMARY

RGA	Robert G. Anderson	2.50 hours at \$325.00 =	\$812.50
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# CLARK HILL

PLC

ATTORNEYS AT LAW

14850 N. Scottsdale Road, Suite 500  
Scottsdale, AZ 85254  
Telephone (480) 684-1100  
Fed.ID # 38-0625840

## INVOICE

Invoice # 664445

Hilton Casitas Council of Homeowners  
Attn: Michael Bengson  
6333 N. Scottsdale Road  
Unit 10  
Scottsdale, AZ 85250-5428

July 28, 2016  
Client: 48320  
Matter: 179849

RE: Condominium Reorganization and Whitmer Dispute

FOR SERVICES RENDERED through June 30, 2016

Total Services: \$2,730.00

INVOICE TOTAL \$2,730.00

05/28/16	655227	\$455.00
06/29/16	660064	\$812.50

Outstanding Balance: \$1,267.50

TOTAL AMOUNT DUE \$3,997.50

PAYABLE UPON RECEIPT IN U.S. DOLLARS

# CLARK HILL P.L.C.

Hilton Casitas Council of Homeowners  
Condominium Reorganization and Whitmer Dispute  
July 28, 2016  
INVOICE # 664445  
Page 2

## DETAILED DESCRIPTION OF SERVICES

06/02/16	Telephone call from M. Bengson regarding rules and regulations.	R Anderson	.20	65.00
06/03/16	Prepare complaint for judicial foreclosure of Unit 21.	R Anderson	2.10	682.50
06/21/16	Review and revise Complaint for foreclosure on Unit 21 (.5); Review records of Maricopa County on other liens (.4); Prepare Verification (.2).	R Anderson	1.10	357.50
06/22/16	Review late fee calculations (.2); Revise Whitmer Complaint (.2); Telephone call to M. Bergson regarding late fees (.2); Review bylaws and declaration regarding board resolution for late fee (3.).	R Anderson	.90	292.50
06/22/16	Prepare Complaint for Schaffer delinquency (1.1); Review condition of title to Eli property (.5).	R Anderson	1.60	520.00
06/23/16	Review memorandum from Corey (.1); Review Whitmer Complaint and allegations (.3); Review original Declaration (.4); Review new proposed declaration (.4); Memorandum to Corey (.8); Review prior judgment (.3).	R Anderson	2.30	747.50
06/24/16	Prepare Complaint for filing.	R Anderson	.20	65.00

\$2,730.00

**CLARK HILL P.L.C.**

Hilton Casitas Council of Homeowners  
Condominium Reorganization and Whitmer Dispute  
July 28, 2016  
INVOICE # 664445  
Page 3

**TIMEKEEPER SUMMARY**

RGA	Robert G. Anderson	8.40 hours at \$325.00 =	\$2,730.00
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# CLARK HILL

P.L.C.

ATTORNEYS AT LAW

14850 N. Scottsdale Road, Suite 500  
Scottsdale, AZ 85254  
Telephone (480) 684-1100  
Fed.ID # 38-0425840

## INVOICE

Invoice # 669279

Hilton Casitas Council of Homeowners  
Attn: Michael Bengson  
6333 N. Scottsdale Road  
Unit 10  
Scottsdale, AZ 85250-5428

August 29, 2016  
Client: 48320  
Matter: 179849

RE: Condominium Reorganization and Whitmer Dispute

FOR SERVICES RENDERED through July 31, 2016

Total Services: \$260.00

INVOICE TOTAL \$260.00

05/28/16	655227	\$455.00
06/29/16	660064	\$812.50
07/28/16	664445	\$2730.00

Outstanding Balance: \$3,997.50

TOTAL AMOUNT DUE \$4,257.50  
=====

PAYABLE UPON RECEIPT IN U.S. DOLLARS

**CLARK HILL P.L.C.**

Hilton Casitas Council of Homeowners  
Condominium Reorganization and Whitmer Dispute  
August 29, 2016  
INVOICE # 669279  
Page 2

DETAILED DESCRIPTION OF SERVICES

07/18/16	TT First American re status of title reports (NO CHARGE).	R Anderson	.20	NO CHARGE
07/26/16	Review memorandum from Mike Bengson, review proposed changes to Rules and Regulations, review new Arizona Statutes to take effect August 1, 2016.	R Anderson	.80	260.00

\$260.00

TIMEKEEPER SUMMARY

RGA	Robert G. Anderson	0.20 hours at	\$0.00 =	\$0.00
RGA	Robert G. Anderson	0.80 hours at	\$325.00 =	\$260.00

# CLARK HILL

P.L.C.

ATTORNEYS AT LAW

14850 N. Scottsdale Road, Suite 500  
Scottsdale, AZ 85254  
Telephone (480) 684-1100  
Fed.ID # 38-0425840

## INVOICE

Invoice # 673736

Hilton Casitas Council of Homeowners  
Attn: Michael Bengson  
6333 N. Scottsdale Road  
Unit 10  
Scottsdale, AZ 85250-5428

September 27, 2016  
Client: 48320  
Matter: 179849

=====

RE: Condominium Reorganization and Whitmer Dispute

FOR SERVICES RENDERED through August 31, 2016

Total Services: \$195.00

FOR EXPENSES INCURRED OR ADVANCED:

Service of Process \$499.70

Total Expenses: \$499.70

INVOICE TOTAL \$694.70

TOTAL AMOUNT DUE \$694.70  
=====

PAYABLE UPON RECEIPT IN U.S. DOLLARS

**CLARK HILL P.L.C.**

Hilton Casitas Council of Homeowners  
Condominium Reorganization and Whitmer Dispute  
September 27, 2016  
INVOICE # 673736  
Page 2

DETAILED DESCRIPTION OF SERVICES

08/23/16	Review revised Rules and Regulations; review lease form; telephone call from M. Bergson regarding Rules and Regulations.	R Anderson	.60	195.00
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\$195.00

TIMEKEEPER SUMMARY

RGA	Robert G. Anderson	0.60 hours at \$325.00 =	\$195.00
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# CLARK HILL

P.L.C.

ATTORNEYS AT LAW

14850 N. Scottsdale Road, Suite 500  
Scottsdale, AZ 85254  
Telephone (480) 684-1100  
Fed.ID # 38-0425840

## INVOICE

Invoice # 683075

Hilton Casitas Council of Homeowners  
Attn: Michael Bengson  
6333 N. Scottsdale Road  
Unit 10  
Scottsdale, AZ 85250-5428

November 15, 2016  
Client: 48320  
Matter: 179849

RE: Condominium Reorganization and Whitmer Dispute

FOR SERVICES RENDERED through October 31, 2016

Total Services: \$715.00

INVOICE TOTAL \$715.00

09/27/16 673736 \$694.70

Outstanding Balance: \$694.70

TOTAL AMOUNT DUE \$1,409.70

PAYABLE UPON RECEIPT IN U.S. DOLLARS

**CLARK HILL P.L.C.**

Hilton Casitas Council of Homeowners  
Condominium Reorganization and Whitmer Dispute  
November 15, 2016  
INVOICE # 683075  
Page 2

DETAILED DESCRIPTION OF SERVICES

10/06/16	Telephone conference with Mike regarding Answer to Compliant regarding Safeguard; review Summary of Safeguard Contract and Benefits to Association; prepare Answer to Complaint.	R Anderson	1.50	487.50
10/07/16	Continue to prepare of answer to Whitmer Complaint; telephone conference with Mike regarding allegations by Whitmer regarding use of Safeguard Services.	R Anderson	.70	227.50

\$715.00

TIMEKEEPER SUMMARY

RGA	Robert G. Anderson	2.20 hours at \$325.00 =	\$715.00
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# CLARK HILL

P.L.C.

ATTORNEYS AT LAW

14850 N. Scottsdale Road, Suite 500

Scottsdale, Arizona 85254

Telephone (480) 684-1100

Fed.ID # 38-0425840

## INVOICE

Hilton Casitas Council of Homeowners  
Attn: Michael Bengson  
6333 N. Scottsdale Road  
Unit 10  
Scottsdale, AZ 85250-5428

Invoice # 673740  
September 27, 2016  
Client: 48320  
Matter: 306528

=====

RE: London, Colleen and Whitmer, R.L.

FOR SERVICES RENDERED through August 31, 2016

Total Services: \$4,095.00

INVOICE TOTAL \$4,095.00

PAYABLE UPON RECEIPT IN U.S. DOLLARS

## CLARK HILL P.L.C.

Hilton Casitas Council of Homeowners  
London, Colleen and Whitmer, R.L.  
September 27, 2016  
INVOICE # 673740  
Page 2

### DETAILED DESCRIPTION OF SERVICES

08/04/16	RGA Telephone call from M. Bengson regarding production of documents for Whitmer, short term rental issues, new legislation; review file; review Whitmer Motion to Dismiss and documents attached; prepare Response to Motion to Dismiss.	2.90
08/05/16	RGA Telephone call from M. Bengson regarding payment of delinquent assessments (No Charge).	.20
08/08/16	RGA Review briefs and Court Judgments received from Corey Hill, continue to work on Response to Whitmer Motion, telephone call to M. Bengson regarding additional delinquency for July and August.	2.70
08/09/16	MSS Discussion with R. Anderson regarding effective and proper arguments for response to motion to dismiss.	.70
08/09/16	RGA Continue preparation of Response to Motion to Dismiss, telephone call to M. Bengson regarding payment by Whitmer.	3.50
08/18/16	RGA Review letter from Whitmer regarding review of books and records, telephone call to M. Bengson regarding Whitmer request for records and response.	.60
08/19/16	RGA Review correspondence from B. Porter, attorney for Whitmer regarding Board Meeting.	.20
08/25/16	RGA Review Whitmer's Reply to HOA's Response to Motion to Dismiss; telephone call to M. Bengson regarding Reply.	.70
08/30/16	RGA Review memo to Whitmer and attachments; review memo from Whitmer to Mike regarding Safeguard overcharges and offset.	.40

# CLARK HILL P.L.C.

Hilton Casitas Council of Homeowners  
London, Colleen and Whitmer, R.L.  
September 27, 2016  
INVOICE # 673740  
Page 3

\$4,095.00

## TIMEKEEPER SUMMARY

MSS	Mark S. Sifferman	0.70 hours at	\$350.00 =	\$245.00
RGA	Robert G. Anderson	0.20 hours at	\$0.00 =	\$0.00
RGA	Robert G. Anderson	11.00 hours at	\$350.00 =	\$3,850.00

# CLARK HILL

P.L.C.

ATTORNEYS AT LAW

14850 N. Scottsdale Road, Suite 500  
Scottsdale, AZ 85254  
Telephone (480) 684-1100  
Fed.ID # 38-0425840

## INVOICE

Invoice # 679335

Hilton Casitas Council of Homeowners  
Attn: Michael Bengson  
6333 N. Scottsdale Road  
Unit 10  
Scottsdale, AZ 85250-5428

October 28, 2016  
Client: 48320  
Matter: 306528

RE: London, Colleen and Whitmer, R.L.

FOR SERVICES RENDERED through September 30, 2016

Total Services: \$245.00

FOR EXPENSES INCURRED OR ADVANCED:

Filing Fees \$12.00

Total Expenses: \$12.00

INVOICE TOTAL \$257.00

09/27/16 673740 \$4095.00

Outstanding Balance: \$4,095.00

TOTAL AMOUNT DUE \$4,352.00

PAYABLE UPON RECEIPT IN U.S. DOLLARS

# CLARK HILL P.L.C.

Hilton Casitas Council of Homeowners  
London, Colleen and Whitmer, R.L.  
October 28, 2016  
INVOICE # 679335  
Page 2

## DETAILED DESCRIPTION OF SERVICES

09/23/16 RGA Review new complaint from Whitmer re Safeguard, TT Mike re new complaint.	.40
09/26/16 RGA TF Mike Bergson re new complaint.	.30

\$245.00

## TIMEKEEPER SUMMARY

RGA	Robert G. Anderson	0.70 hours at \$350.00 =	\$245.00
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# CLARK HILL PLC

ATTORNEYS AT LAW

14850 N. Scottsdale Road, Suite 500  
Scottsdale, AZ 85254  
Telephone (480) 684-1100  
Fed.ID # 38-0425840

## INVOICE

Invoice # 683076

Hilton Casitas Council of Homeowners  
Attn: Michael Bengson  
6333 N. Scottsdale Road  
Unit 10  
Scottsdale, AZ 85250-5428

November 15, 2016  
Client: 48320  
Matter: 306528

RE: London, Colleen and Whitmer, R.L.

FOR SERVICES RENDERED through October 31, 2016

Total Services: \$1,155.00

INVOICE TOTAL \$1,155.00

09/27/16	673740	\$4095.00
10/28/16	679335	\$257.00

Outstanding Balance: \$4,352.00

TOTAL AMOUNT DUE \$5,507.00

PAYABLE UPON RECEIPT IN U.S. DOLLARS

**CLARK HILL P.L.C.**

Hilton Casitas Council of Homeowners  
London, Colleen and Whitmer, R.L.  
November 15, 2016  
INVOICE # 683076  
Page 2

DETAILED DESCRIPTION OF SERVICES

10/10/16 RGA Review and revise Complaint and file in Justice Court.	.30
10/11/16 RGA Review Whitmer Application for Costs.	.20
10/17/16 RGA Prepare response in Opposition of Defendants Application for Costs; telephone conference with M. Bengson regarding issues with Opposition to Application; copy of May delinquency notice, Justice Court Answer.	2.60
10/18/16 RGA Telephone conference with M. Bengson regarding notices to Whitmer, Answer to Justice Court Complaint.	.20

\$1,155.00

TIMEKEEPER SUMMARY

RGA	Robert G. Anderson	3.30 hours at \$350.00 =	\$1,155.00
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# CLARK HILL

P.L.C.

ATTORNEYS AT LAW

14830 N. Scottsdale Road, Suite 500

Scottsdale, Arizona 85254

Telephone (480) 684-1100

Fed.ID # 38-0425840

## INVOICE

Hilton Casitas Council of Homeowners  
Attn: Michael Bengson  
6333 N. Scottsdale Road  
Unit 10  
Scottsdale, AZ 85250-5428

Invoice # 686637  
December 8, 2016  
Client: 48320  
Matter: 306528

RE: London, Colleen and Whitmer, R.L.

FOR SERVICES RENDERED through November 30, 2016

Total Services: \$595.00

FOR EXPENSES INCURRED OR ADVANCED:

Filing Fees \$6.00

Total Expenses: \$6.00

INVOICE TOTAL \$601.00

PAYABLE UPON RECEIPT IN U.S. DOLLARS

**CLARK HILL P.L.C.**

Hilton Casitas Council of Homeowners  
London, Colleen and Whitmer, R.L.  
December 8, 2016  
INVOICE # 686637  
Page 2

DETAILED DESCRIPTION OF SERVICES

11/08/16	RGA Telephone call from M. Bengson regarding response to Whitmer's letter challenging Board's Notice of Violation.	.30
11/16/16	RGA Review letter from Whitmer regarding dispute of assessments and fines; telephone call to M. Bengson regarding response (No Charge).	.50
11/17/16	RGA Review letter from Whitmer; review Declaration, bylaws and statutes regarding Whitmer claims.	.80
11/28/16	RGA Telephone call to M. Bengson regarding architectural control and response to Whitmer letter and Board meeting.	.60

\$595.00

TIMEKEEPER SUMMARY

RGA	Robert G. Anderson	0.50 hours at	\$0.00 =	\$0.00
RGA	Robert G. Anderson	1.70 hours at	\$350.00 =	\$595.00

# Exhibit 8

Hilton Casitas Council of Homeowners

2016 Budget

Beginning Cash	\$ 12,111.71	\$12,111.71
Added Cash receipts	\$ 19,780.32	100,585.92
		<hr/>
Total Cash	\$ 31,892.03	\$112,697.63
Estimated Expenses		
Accounting	\$ 400.00	
Legal	\$ 15,000.00	
Bank Fees	\$ 360.00	
Manangement	\$ 3,000.00	
Misc		
Total	\$ 18,760.00	- 18,760.00
Estimated ending cash	\$ 13,132.03	<hr/>
		- \$13,132.03

Based on no change in the monthly dues of \$289.04

\* \$ 80,865.60 out of balance

X 29 casitas  
\$8,382.16  
X 12 months

Total Annual Receipts \$100,585.92

\* Plaintiff's notes & analysis.

**Hilton Casitas Council of Homeowners**

<b>2016 Budget</b>		<b>2015 Actual expenses</b>	<b>2015 Budget Expenses</b>
<b>Beginning Cash</b>	<b>\$ 12,111.71</b>	<b>\$ 13,641.26</b>	<b>\$ 13,641.26</b>
<b>Added Cash receipts</b>	<b>\$ 19,780.32</b>	<b>\$ 19,383.60</b>	<b>\$ 19,780.32</b>
<b>Total Cash</b>	<b>\$ 31,892.03</b>	<b>\$ 33,024.86</b>	<b>\$ 33,421.58</b>
<b>Estimated Expenses</b>			
<b>Accounting</b>	<b>\$ 400.00</b>	<b>\$ 400.00</b>	<b>\$ 400.00</b>
<b>Legal</b>	<b>\$ 15,000.00</b>	<b>\$ 17,059.72</b>	<b>\$ 14,500.00</b>
<b>Bank Fees</b>	<b>\$ 360.00</b>	<b>\$ 29.95</b>	<b>\$ 360.00</b>
<b>Manangement</b>	<b>\$ 3,000.00</b>	<b>\$ 2,838.48</b>	<b>\$ 2,500.00</b>
<b>Misc</b>		<b>\$ 585.00</b>	<b>\$ -</b>
<b>Total</b>	<b>\$ 18,760.00</b>	<b>\$ 20,913.15</b>	<b>\$ 17,760.00</b>
<b>Estimated ending cash</b>	<b>\$ 13,132.03</b>	<b>\$ 12,111.71</b>	<b>\$ 15,661.58</b>

**Based on no change in the monthly dues of \$289.04**

# Exhibit 9

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## MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT (this "Agreement"), dated as of the 2<sup>nd</sup> day of June 2000, is entered into by and between Scottsdale Resort & Spa Partners, Limited Partnership, a Delaware limited partnership (the "Manager") having an address at c/o The Griffin Group, 780 Third Avenue, New York, NY 10017, and Scottsdale Hilton Casitas Homeowners Association [formerly called the Scottsdale Hilton Casitas Council of Co-Owners] (the "Association"), having an address at 6333 North Scottsdale Road, Scottsdale, Arizona 85250 (c/o President of the Association):

### WITNESSETH:

WHEREAS, the Association is the representative body elected to represent the owners (the "Owners") of the Hilton Casitas, comprised of twenty-nine (29) units (each, "Unit") being located on the real property described in Exhibit A attached hereto and incorporated herein by reference for all purposes (the "Land"), together with all improvements thereon, and all real and personal property relating thereto (together with the Land, the "Casitas"); and

WHEREAS, the Association desires to engage a manager to provide certain services to the Owners of the Casitas.

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Association and the Manager agree as follows:

### ARTICLE I ENGAGEMENT AND TERM

**Section 1.1. Engagement.** The Association hereby engages the Manager, and the Manager hereby accepts its engagement, on the terms and conditions herein contained, as the sole and exclusive manager for the Casitas.

**Section 1.2. Term.** This Agreement shall be effective as of the date hereof, and unless sooner terminated pursuant to the provisions hereof, shall continue in full force and effect for a period of ten (10) years (the "Initial Term"). Thereafter, this Agreement may, at the option of the Manager, exercised by written notice to the Association at least ninety (90) days prior to the end of the Initial Term or any Renewal Period then in effect, be extended for successive periods of ten (10) years each (each, a "Renewal Period"), with the last Renewal Period to be coterminous with the expiration date of the subleases of the Casitas.

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## ARTICLE II MANAGERIAL RESPONSIBILITIES

**Section 2.1. Operations.** The Manager shall perform and provide in a good and workmanlike manner the services identified in Part II of Exhibit B and collect the other sums specified in Parts I and III of Exhibit B attached hereto and made a part hereof.

### Section 2.2. Employment of Personnel.

2.2.1. The Manager shall hire, pay, supervise, train and discharge the Project Personnel (as herein defined). All matters pertaining to the employment, supervision, compensation, promotion and discharge of Project Personnel are and shall be the responsibility of the Manager, and such Project Personnel shall be employees of the Manager and not of the Association. The Association shall have no right to supervise or direct such Project Personnel. The Manager shall comply with all applicable laws, ordinances and regulations pertaining to workers' compensation, social security, unemployment insurance, hours of labor, wages, working conditions and other employer-employee related subjects.

2.2.2. As used herein, the term "Project Personnel" shall mean all maintenance and cleaning personnel, and all other permanent or part-time personnel who are responsible for the provision of the services required hereby. Notwithstanding anything to the contrary contained herein, the Manager shall have the express right and authority to perform its functions hereunder by utilizing as Project Personnel persons employed by, and performing services for, the Hilton Scottsdale Resort and Villas.

**Section 2.3. Compliance with Laws and Contracts.** Solely to the extent of the Manager's duties hereunder, the Manager shall be responsible for compliance with all federal, state and municipal laws, ordinances, regulations and orders relative to the condition, operation, repair, management and maintenance of the Casitas and the Common Areas and with the rules, regulations or orders of the local Board of Fire Underwriters or other similar bodies and with all insurance companies providing casualty or liability insurance with respect to the Casitas and/or Common Areas.

## ARTICLE III INSURANCE AND INDEMNIFICATION

**Section 3.1. Insurance.** The Association shall obtain and keep in force adequate insurance against physical damage (by way of example and not by way of limitation, fire with extended coverage endorsement, and the like) and against liability for loss, damage or injury to property or persons which might arise out of the occupancy, management, operation or maintenance of the Common Areas serving or contained within the Casitas, which areas are required to be insured by the Association. The Manager will be named as an additional insured in all liability insurance policies obtained by the Association and maintained with respect to the Common Areas contained

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within the Casitas, and the Association shall provide to the Manager certificates of insurance or certified copies of the policies evidencing such coverage.

**Section 3.2. Indemnification by the Association.** The Association, on its own behalf and on behalf of each individual Owner, agrees (i) to indemnify, and to defend promptly and diligently, and hold harmless the Manager from any claim for damages or injuries to persons or property arising by reason of the Association's failure or refusal to comply with or abide by any rule, order, determination, ordinance or law of any federal, state or municipal authority to which the Association is subject; and (ii) except for any claims of negligence by Manager or breach of any contract relating to the Casitas to which Manager is a party (acting on its own and not on behalf of the Association), to defend promptly and diligently, at the Association's sole expense, any claims, action or proceeding brought against the Manager or the Manager and the Association, jointly or severally, arising out of or relating to the Manager's actions in the performance of its duties and responsibilities hereunder or the Association's actions or failure to act as specified herein. The provisions of this Section shall survive the termination of this Agreement.

**Section 3.3. Indemnification by the Manager.** The Manager agrees to indemnify, and to defend promptly and diligently, and hold harmless the Association from any and all claims, demands, liability, loss, cost or expense asserted or incurred by reason of any willful, negligent or tortious act by the Manager or any of the Manager's employees or agents, or any breach of any contract to which Manager is a party (other than when acting for and on behalf of the Association in accordance with the terms and provisions of this Agreement), unless the Association shall have approved the same in writing or participated therein. This indemnity shall not be applicable with respect to acts of the Manager duly authorized and performed in accordance with the terms and provisions of this Agreement.

#### ARTICLE IV. COMPENSATION

**Section 4.1 Management Fee.** In consideration of the services to be rendered by the Manager pursuant to this Agreement, and so long as this Agreement is in effect and has not been terminated pursuant to the terms hereof, the Manager shall receive compensation (the "Fee") for its services hereunder, in the initial year of this Agreement, in the sum of \$35.00 per Casita (Unit) as prescribed in Part II of Exhibit B. Thereafter the Fee shall be increased at the commencement of each calendar year during the term of this Agreement by the amount of the actual total increase to the Manager of its costs of providing such services specified in Part II of Exhibit B, plus ten percent (10%) of the amount of each such annual increase.

**Section 4.2. Payment of Management Fee.** The costs specified in Parts I and II of Exhibit B and the Fee shall be paid by the Association to the Manager monthly in advance on or before the first day of each calendar month during the term hereof. (The Association shall be solely responsible for collecting amounts owing from the Owners, and the Fee shall be due and payable to the Manager in accordance with the terms hereof without regard to the Association's actions with respect to collection thereof.) For any period of less than one month, the monthly payment shall be computed on pro rata basis based upon a thirty (30) day month.

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**Section 4.3. Interest on Late Payments.** Any monthly installment that is not paid when due shall bear interest from the date due until the date payment is received in an amount equal to the lesser of (a) the highest rate permitted by applicable law and (b) one percent (1%) per month.

**Section 4.4. Lien.** Payment of the Fee and other costs due hereunder (as set forth in Parts I and II of Exhibit B) shall be secured by a lien upon the property of each Casita Owner not paying the costs and Fee attributable to his Unit. In addition to the right of the Manager to foreclose any such lien on a defaulting Casita Owner, the Manager shall have a right of action against the Association for payment of all or any portion of any unpaid costs or Fee. The Manager and/or the Association shall have all rights under applicable law to foreclose any such lien for payments not made when due.

**Section 4.5. Ground Lease.** It is understood that each Casita Owner, in addition to the costs and Fee prescribed in Parts I and II of Exhibit B, is required to pay monthly to the Manager, as collection agent for the Sublessor, ground rent (as set forth in Part III of Exhibit B) pursuant to the terms of each such Casita Owner's Sublease, as amended, with the Sublessor. However, enforcement of collection of the ground rent by the Sublessor and/or Manager is outside the scope and terms of this Agreement and shall be enforced by the Sublessor pursuant to the provisions of the Subleases, as amended. All rights of the Sublessor and Sublessees are as defined in the applicable Subleases, and no such rights shall be limited by the terms of this Agreement.

#### ARTICLE V. TERMINATION

**Section 5.1. Termination by the Manager.** The Manager may terminate this Agreement without cause by giving ninety (90) days prior written notice the Association. If the Association shall fail to reimburse or pay to the Manager any amount for which the Manager is entitled as reimbursement or compensation, and such failure continues for a period of thirty (30) days after written notice from the Manager to the Association designating such amount and the Manager's entitlement thereto, then the Manager may terminate this Agreement by written notice to the Association at any time thereafter.

**Section 5.2. Termination by the Association.** If the Manager fails to perform its obligations under this Agreement, the Association shall give written notice of such failure to the Manager (the "Notice"), which Notice shall set forth in detail the nature of the obligation which the Manager has failed to perform. If, within the thirty (30) day period immediately following receipt of the Notice, the Manager in good faith commences to perform such obligation and to cure such failure and thereafter prosecutes to completion with diligence and continuity the curing thereof and cures such failure within a reasonable time, then it shall be deemed that the Notice was not given and the Association shall not be entitled to terminate this Agreement. If, within such thirty (30) day period, the Manager does not commence in good faith the curing of such failure or does not thereafter prosecute to completion with diligence and continuity the curing thereof, then the Association shall have the right to terminate this Agreement.

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**Section 5.3 Obligations Upon Termination.** Upon termination of this Agreement, each party shall promptly pay to the other, as soon as the same is determinable after the effective date of termination, all amounts to be paid to the other under this Agreement and, except as provided in Article III, upon such payment neither party shall have any further claim or right against the other.

**ARTICLE VI.  
NOTICES**

**Section 6.1. Notices.** All notices, demands, consents and reports provided for in this Agreement shall be in writing and shall be given to the Association or the Manager at the address set forth below or at such other address as each party may specify thereafter in writing in accordance herewith:

**THE ASSOCIATION:** Scansdale Hilton Casitas  
Homeowners Association  
6333 North Scottsdale Road  
Scottsdale, Arizona 85250  
Attention: President

**MANAGER:** Griffin Management, Inc.  
780 Third Avenue  
New York, NY 10017  
Attention: General Counsel

All notices or other communications required or permitted to be given pursuant hereto shall be in writing and shall be deemed served and given at the time of (i) deposit in a depository receptacle under the care and custody of the United States Postal Service, properly addressed to the designated address of the addressee as set forth herein, postage prepaid, registered or certified mail with return receipt requested, (ii) delivery to the designated address of the addressee set forth above by a third party commercial delivery service, with evidence of delivery, or (iii) receipt thereof by the addressee.

**ARTICLE VII.  
MISCELLANEOUS**

**Section 7.1. Assignment.** This Agreement and all rights hereunder shall not be assignable by either the Association or the Manager without the express written consent of the other party. Notwithstanding the foregoing, the Manager shall be permitted to assign its rights and obligations hereunder, without the prior consent of the Association, to an affiliate of the Manager (defined, for purposes hereof, as any person or entity controlled by, in control of, or under common control with, the Manager) or to the person or entity acquiring ownership of the Hilton Scottsdale Resort & Villas subsequent to the date of this Agreement, in each case provided that such assignee expressly assumes the obligations of the Manager hereunder.

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**Section 7.2. Amendments.** Except as otherwise herein provided, any and all amendments, additions or deletions to this Agreement shall be null and void unless in writing, executed on behalf of each of the parties hereto.

**Section 7.3. Headings.** All headings herein are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement.

**Section 7.4. Complete Agreement.** This Agreement and the Exhibits attached hereto supersede and take the place of any and all previous management agreements and/or arrangements entered into between the parties hereto with respect to the Casitas.

**Section 7.5. Attorneys' Fees.** In the event any party to this Agreement is required to initiate legal actions or proceedings to enforce its rights under the terms of this Agreement, then the prevailing party in such legal actions or proceedings shall be entitled to an award of reasonable attorneys' fees and other costs and expenses incurred in such legal actions or proceedings.

**Section 7.6. Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

**Section 7.7. Governing Law.** This Agreement shall be construed in accordance with the laws of the State of Arizona.

**IN WITNESS WHEREOF,** this Agreement has been duly executed in multiple counterparts by the parties hereto on the date and year first above written.

**"MANAGER"**

**SCOTTSDALE RESORT & SPA PARTNERS,  
LIMITED PARTNERSHIP, a Delaware limited  
partnership**

By: Griffin Scottsdale Holdings, Inc.,  
General Partner

By:   
Name: Robert H. Karatz  
Title: President

**"ASSOCIATION"**

**SCOTTSDALE CASITAS HOMEOWNERS  
ASSOCIATION**

By:   
Name: Robert H. Karatz  
Title: President

**EXHIBIT A**

**Real Property**

Hilton Casitas, according to the plat of record in the Office of the County Recorder of Maricopa County, Arizona, in Book 149 of Maps, pages 49 and 50; and Affidavit of Correction pertaining to Tract Nos. 26 and 27, recorded in Docket 10026, pages 605 and 606.



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**EXHIBIT B**

**Management / Initial Year Assessments**

**PART I**

The Association contracts for and obtains, or provides for itself, in its own name, the following services, insurance and fees. The Association pays the Manager the monthly costs therefor and the Manager reimburses the providers of the services specified in (i) and (ii) below, and the Manager deposits in a bank account in the name of the Association the fee specified in (iii) below. The Manager is not responsible for procuring or providing the services specified in this Part I.

<u>Function</u>	<u>Assessment (per Unit, per month)</u>
(i) Security	\$125.00
(ii) Insurance	5.18
(iii) Special Fee	<u>20.00</u>
SUBTOTAL	\$150.18

**PART II**

The Manager contracts for or otherwise provides the following:

<u>Function</u>	<u>Assessment (per Unit, per month)</u>
Refuse Collection	\$ 25.00
Sewage	5.40
Power Sweeping	3.00
Common Area	15.00
Management Fee, including Miscellaneous Services Specified Below:	35.00
Billing & Collection	
Phone Service	
U. S. Mail Service	
Charge Privileges	
Maintenance Consulting	
Maintenance - Small Repairs	
Banking Service	
Bill Payment	
Safety Deposit Boxes	
Shipping & Receiving	
SUBTOTAL	<u>\$ 83.40</u>

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PART III

Land Sub-Lease (Underlying Property) Ground Rent	\$326.88 *
Plus applicable transaction privilege tax	
<b>TOTAL</b>	<u>\$560.40</u>

\* Adjusted as provided in the applicable sublease.