

ESTRELLA VILLAGE MANOR HOMEOWNER ASSOCIATION

January 23, 2006

CONSTRUCTION DEFECT/DEVELOPER ISSUES

Preliminary Investigation

Hard Facts

Legal Remedies

Completed review & summary of all financial records from Inception of Association.

Research indicates that builders paid all fees due & possibly more. No substantial Developer expenses paid By HOA.

Possible funding of a reserve fund

Landscaping plans Found for one phase. City claims other plans not readily available.

Research indicates that a minimum of 2 inches of granite should have been installed; only 1/2 inch was provided.

Five bids obtained that indicate defect \$100,000 to \$200,000

Abandonment of lift Station. Continuing research w/ City & County to provide more details.

Parts do not have salvage value due to warranty issues, shelf life, etc.

Documents state that a reserve fund should have been established for lift station maintenance.

Drainage issues & escrowed funds are still being researched.

