



Wrinkle, Gardner & Company, P.C.
Certified Public Accountants

Mrs. Elizabeth Woods, Treasurer
and Board of Directors
BellaVita at Green Tee Homeowners' Association, Inc.
1548 North Riviera Circle
Pearland, Texas 77581

You have requested that we audit the financial statements of BellaVita at Green Tee Homeowners' Association, Inc., which comprise the balance sheet as of December 31, 2012, and the related statements of revenues, expenses, and changes in fund balance and cash flows for the year then ended, the related notes to the financial statements, and the supplementary information on future major repairs and replacements accompanying the financial statements. We will also prepare the Association's federal income tax return for the year ended December 31, 2012. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audit will be conducted with the objective of our expressing an opinion on the financial statements.

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

Our audit will be conducted on the basis that management and, those charged with governance acknowledge and understand that they have responsibility

- a. for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;

b. for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and

c. to provide us with

i. access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;

ii. additional information that we may request from management for the purpose of the audit; and

iii. unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management and, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We estimate that our fee approximate \$13,000 for these services. You will also be billed for travel and other out-of-pocket costs such as report production, word processing, postage, etc. The fee estimate is based on anticipated cooperation for your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly. Our invoices for these fees will be rendered as work progresses and are payable on presentation.

We will issue a written report upon completion of our audit of BellaVita at Green Tee Homeowners' Association, Inc.'s financial statements. Our report will be addressed to the board of directors of BellaVita at Green Tee Homeowners' Association, Inc. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

Please sign and return this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

Wrinkle, Gardner & Company, P.C.

Wrinkle, Gardner & Company, P.C.

Acknowledged and agreed on behalf of BellaVita at Green Tee Homeowners' Association, Inc. by

Ronald H. Graloch, President
Name and Title

12/21/2012
Date

[Signature] TREASURER
NAME & TITLE

12/23/2012
Date

2013 Insurance Summary

Bellavita at Green Tee Homeowners' Association, Inc.

Date Presented:

12/3/2012

Presented By:

Arthur J. Gallagher Risk Management Services, Inc.

This document is a summary and does not contain all coverage limits, sublimits, terms and conditions. It is intended to provide a general overview. Only the policies can provide the actual limits, sublimits, terms, conditions, exclusions, and limitations of coverage.

Worthington Insurance Brokers, a wholly owned subsidiary of FirstService, the parent of Association Management, Inc., has assisted Gallagher in this insurance program's design and placement. For their services, Gallagher has entered into a revenue sharing agreement with Worthington Insurance Brokers.

This document is intended for the use of the entity named above and any unauthorized disclosure, copying, or distribution is prohibited.

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Gallagher Service Team

Requests for Certificates of Insurance:

Lili Moran
(713) 358-5753 - Direct Phone Number
(713) 358-5763 - Direct Fax Number
lili_moran@ajg.com

General Questions about the AMI Insurance Program:

Crystal Vaughan
(713) 358-5742 - Direct Phone Number
(713) 358-5743 - Direct Fax Number
crystal_vaughan@ajg.com

Report all Claims to:

Taylor Bacot
(713) 358-5212 - Direct Phone Number
(713) 358-5213 - Direct Fax Number
taylor_bacot@ajg.com

Requests for a Gallagher representative to attend a Board of Directors meeting:

Taylor Bacot
(713) 358-5212 - Direct Phone Number
(713) 358-5213 - Direct Fax Number
taylor_bacot@ajg.com

Any and All Service Problems /Concerns:

Taylor Bacot
(713) 358-5212 - Direct Phone Number
(713) 358-5213 - Direct Fax Number
taylor_bacot@ajg.com

Norman Henley
(713) 358-5788 - Direct Phone Number
(713) 358-5789 - Direct Fax Number
norman_henley@ajg.com

Tracy Williams
(281) 655-6808 - Direct Phone Number
(281) 655-6809 - Direct Fax Number
tracy_williams@ajg.com

AMI Management Agreement

The proposed 2012 Property/Casualty insurance program being offered herein is contingent on Bellavita at Green Tee Homeowners' Association, Inc. being under a written Management Contract with Association Management, Inc.

If a decision is made to terminate the Management Contract by either Bellavita at Green Tee Homeowners' Association, Inc. or Association Management, Inc., the same 30 day cancellation notice provided in the Management Contract would apply to the insurance program being proposed.

If the insurance program is cancelled, the Standard Policy Cancellation Provisions would apply.

NOTE: Issuance of the insurance program will indicate agreement with this provision.

ACKNOWLEDGEMENT:

Signature of Association Officer

Date

Print Name and Title

Invoice and Premium Summary

BELLAVITA GREEN TEE

Policy Term:	January 1, 2013 to January 1, 2014
Commercial Package	\$20,520
Umbrella Liability	\$850
Directors and Officers Liability	\$2,566
Crime/Fidelity	\$472
Workers' Compensation	\$1,330
Volunteer Accident	\$35
Total Estimated Annual Premium	\$25,773

Payment Instructions:

1. Full Annual Premium or the down payment must be received within 30 days of the effective date.
2. All checks should be made payable to "Arthur J. Gallagher" and sent via regular mail (USPS) to:

*Arthur J. Gallagher RMS Houston
39740 Treasury Center
Chicago, IL 60694-9700*

CHECK ONE OF THE BELOW OPTIONS:

- We are sending in payment in full in the amount of **\$25,773.00**
- We are financing at an APR of 4.5% and are sending the 20% down payment of **\$5,154.60**

Signature of Association Officer

Date

Exposure Information

Property Location County Harris
Property Value \$2,500,000
Contents Value \$275,000
Number of Single Family Units 576
Number of Commercial Units 0

Please check one of the below boxes, sign and date.

- I acknowledge that the above information is accurate.
- The above information is incorrect/needs to be updated. Please revise and resubmit this summary for approval.

Signature of Association Officer

Date

Commercial Package

PROPERTY COVERAGE

Covered Causes of Loss

Risk of direct physical loss or damage except those specifically excluded or limited in the policy forms

Valuation

Replacement Cost with No Coinsurance

Deductibles (Each Occurrence)

2% of property value - All Wind and Hail

\$1,000 - All other losses

Enhancements (Each Occurrence)

\$50,000	Accounts Receivable
\$50,000	Debris Removal, Additional Expense
Policy Limit	Equipment Breakdown
\$50,000	Expediting Expenses
\$25,000	Fire Department Service Charge
\$100,000	Fine Arts
\$50,000	Inventory and Appraisal Expense
Policy Limit	Ordinance or Law - Undamaged Portion of Building
\$100,000	Ordinance or Law - Increased Cost to Repair & Demolish
\$50,000	Pollutant Clean-Up and Removal
\$25,000	Sewers Backup & Water below Surface
\$250,000	Underground Pipes, Pilings, Bridges and Roadways
\$100,000	Valuable Papers

Major Exclusions

Flood

Earth Movement

Normal Wear and Tear

Construction Defect (does not apply to resulting damage)

Mold, Mildew or Fungus

Carrier Name

Hanover Insurance Company

Rated A XIV (Excellent) by A.M. Best

Commercial Package

GENERAL LIABILITY COVERAGE

Covered Causes of Loss

This coverage will pay for damages that the Association becomes legally obligated to pay due to bodily injury, property damage or personal and advertising injury arising from the Associations' operations except those specifically excluded or limited in the policy forms.

Limits of Liability

\$2,000,000	General Aggregate
\$2,000,000	Products & Completed Operations Aggregate
\$1,000,000	Advertising Injury and Personal Injury Aggregate
\$1,000,000	Each Occurrence
\$100,000	Damage to Premises Rented To You
\$5,000	Medical Expenses (any one person)
\$1,000,000	Employee Benefits Errors or Omissions (subject to \$1,000 deductible each claim)
\$1,000,000	Hired & Non Owned Auto Liability

Defense Costs

Outside the Limit of Liability (Unlimited)

Enhancements

Aggregate Limit applies Per Location

Additional Insured - Association Members/Unit Owners

Additional Insured - Mortgagee, Assignee or Receiver

Blanket Waiver of Subrogation When Required By Written Contract

Punitive Damages Covered When Allowable By Law

Major Exclusions

Abuse or Molestation

Asbestos

Fungi or Bacteria

Pollution with Hostile Fire and Swimming Pool Chemical exceptions

Real Estate Development & Construction

Silica or Silica Related Dust

Violation of Information Distribution and Laws

Carrier Name

Hanover Insurance Company

Rated A XIV (Excellent) by A.M. Best

Umbrella Liability

Covered Causes of Loss

This coverage provides excess liability coverage for underlying liability policies of either scheduled underlying limits or in excess of the Self-Insured Retention for occurrences not covered in underlying policies.

Limits of Liability

\$50,000,000 Each Occurrence
\$50,000,000 Annual Aggregate

Self Insured Retention

\$10,000 Each Occurrence

Defense Costs

Outside the Limit of Liability (Unlimited)

Enhancements

Aggregate Limit applies Per Location
Directors and Officers Liability Follow Form
Employee Benefits Liability Follow Form
Auto Liability Follow Form
Bodily Injury and Property Damage Follow Form
Advertising Injury Follow Form
Personal Injury Follow Form
Employers Liability Follow Form
Punitive Damages covered when allowable by law

Major Exclusions

Aircraft/Watercraft, Asbestos, Breach of Contract, Care Custody and Control, Communicable Diseases, Contractual Except Insured Contract, Cross Suits, Damage to Real Property, Discrimination, Employment Practices Liability, ERISA/COBRA, Expected or Intended Injury, Exterior Insulation and Finish Exclusion, Fellow Employee, Fiduciary Liability, Lead, Liquor, Mold Fungus or Bacteria, Nuclear, Professional Liability, Property Managers E&O, Sexual Abuse, Silica, Pollution, Violation of Information Distribution and Laws, and War.

Carrier Name

Allied World National (\$10M), Rated A XV (Excellent) by A.M. Best
Lexington Insurance Company (\$25M), Rated A XV (Excellent) by A.M. Best
Great American Insurance Company (\$15M), Rated A XIII (Excellent) by A.M. Best

Directors and Officers Liability

Covered Causes of Loss

This coverage pays on behalf of the insured past, current, or future directors or officers for damages and defense costs related to wrongful acts made while acting in their individual or collective capacities as directors or officers of the Association.

THIS IS A CLAIMS-MADE POLICY – All “Claims” made against the Association must be reported in accordance with the policy provisions.

Limits of Liability

\$1,000,000 Each Claim
\$1,000,000 Annual Aggregate

Self Insured Retention

\$2,500 Each Indemnified Claim
\$0 Each Non-Indemnified Claim

Defense Costs

Outside the Limit of Liability (Unlimited)

Enhancements

Coverage is extended to cover past, current, and future employees, committee members and volunteers
Defense coverage for Breach of Contract
Property Manager included as an Insured
Builder/Developer covered while acting member of the Board
Coverage for Monetary and Non-Monetary Relief
Punitive Damages covered where allowable by Law

Major Exclusions

Bodily Injury and Property Damage
Pollution
Mental Anguish or Emotional Distress unless Claim is for Wrongful Employment Practices
Violations of the Employee Retirement Income Securities Act of 1974
Breach of Contract (however carrier will provide defense coverage)
Entity vs. Insured

Carrier Name

Continental Casualty Company
Rated A XV (Excellent) by A.M. Best

Crime/Fidelity

Covered Causes of Loss

This coverage is meant to cover criminal acts committed by an employee acting alone or in collusion with others. There must be intent by the employee to cause the employer a loss and to obtain a financial benefit for the employee or someone else.

Limits of Liability

\$300,000	Employee Theft – Includes Coverage for Property Management Company
\$300,000	Forgery or Alteration
\$300,000	Computer Fraud
\$10,000	Claims Expense

Deductibles

\$1,000	Employee Theft
\$1,000	Forgery or Alteration
\$1,000	Computer Fraud
\$0	Claims Expense

Carrier Name

Nova Casualty Company
Rated A XIV (Excellent) by A.M. Best

Workers' Compensation

Covered Causes of Loss

This coverage will pay all compensation and other benefits required by the applicable state(s) Workers' Compensation laws. The Employers Liability part will pay all sums which the Association becomes legally obligated to pay as damages because of Bodily Injury by accident or disease to an employee arising out and in the course of employment.

Limits of Liability

Part A - Workers' Compensation

Statutory

Part B - Employers Liability

\$1,000,000	Bodily Injury (Each Accident)
\$1,000,000	Bodily Injury by Disease (Policy Limit)
\$1,000,000	Bodily Injury by Disease (Each Employee)

Annual Payroll Subject to Annual Audit

Special Notes

If you subcontract certain operations, compensation laws provide that the principal contractor is responsible for compensation to the employees of the uninsured contractors. Unless the subcontractors have insured this obligation and have furnished satisfactory evidence of such insurance, you are charged premium for this coverage

For your protection, it is important that you require and obtain certificates of insurance from all your subcontractors doing work for you.

Carrier Name

Hartford

Rated A XV (Excellent) by A.M. Best

Volunteer Accident

Covered Causes of Loss

This coverage provides coverage for injuries sustained by current uncompensated board and committee members while performing their duties for the Association. This coverage is excess over the individual's personal health insurance policy.

Coverage Limits

\$100,000 Principal Sum Amount per Person
\$1,000,000 Aggregate per Covered Accident

Carrier Name

Zurich North America Insurance Company
Rated A XV (Excellent) by A.M. Best