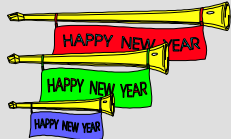


The Risk Illuminator

A Quarterly publication for our clients by **Lender's Quality Assurance**, a *Critical Edge Group* company

VOLUME 4, ISSUE 4

4TH QUARTER 2000



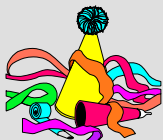
We would like to thank you for our relationships over the past year and wish you and your families a safe and prosperous 2001

We look forward to another year of serving your needs

1553 W. Todd Drive
Suite 207
Tempe, AZ 85283

Ph: (480) 897-3999
Fx: (480) 897-3444

E-mail:
Lqa@earthlink.net
Website:



LQA to Introduce New CAM 2001 Report Format

LQA will implement it's "CAM 2001" Program in the first quarter of the year. This represents the first major revision of our monthly inspection report in (5) years. It represents our continuing growth & experience, as well as feedback and input from our client base. Although it does NOT significantly change the elements we diligently review in our commercial inspections, it does represent a change in the presentation and emphasis of the info obtained during those visits.

The new CAM focuses on improving readability & visual presentation for our clients. It generally contains the same pages, reformatted with additional pertinent information. There will also be an addition of two pages.

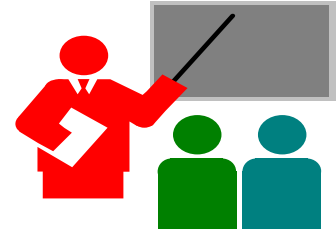
Changes include more lender related information on the cover page, as well as a project description, and a project type. Being on the front page makes

these items more accessible and will help to classify the project better.

The Construction Progress and Site Observation page now consists of four sections including: Loan Information, Site Conditions, Permitting and Inspections, and General Construction Progress and Schedule, three of which are new. The first section, Loan Information, makes lender pertinent information such as the draw amount, loan number, project description, and other related items, more accessible.

The Permitting and Inspections section better hi-lights municipal inspection information (municipal inspections are more geared to stages vs. time) and testing. The General Construction Progress and Schedule section includes compliance with construction schedules and a comparison of where the project is vs. where it should be based on disbursements.

See CAM 2001 page 2



Hard-Hat University

"POP QUIZ #6"

Match the terms with the definitions:

1. Ferrule
2. Fictile
3. Filligree
4. Fleche
5. Fritch
6. Frustrum

- A. A narrow spire on a roof ridge.
- B. Moldable; a material property that permits shaping, such as a wet clay or plaster.
- C. A short metal sleeve around a spike used for fastening gutter sections to a building
- D. A flat topped, cone-shaped figure, with its top parallel to the base.

TOPICS IN THIS ISSUE

A New Year's Greeting from LQA	1
Hard-Hat University – Pop Quiz #6	1, 2
LQA to introduce the new CAM 2001 Format	1, 2

The Risk Illuminator

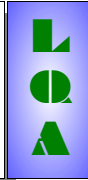
Lender's Quality Assurance

1553 W. Todd Drive, Suite 207 Tempe, AZ 85283

Ph (480)897-3999 Fx (480)897-3444

E-mail: lqa@earthlink.net

Website: InspectNet.net



Mailing Label Goes Here

THE RISK ILLUMINATOR

CAM 2001 (from page 1)

The section is similar to the current CAM. The Major Building Components section reflects the general status and major milestones of all the major components such as demolition, footings and foundations, conveying systems, professional trades, and other pertinent systems.

The Construction Progress section has been reformatted in CSI Division format. This will help to categorize the work completed, and make the report easier to read.

A new addition to the CAM is the Contract Status page which shows the reconciliation of the budgets & change orders.

It consists of four parts: Loan Information, Construction Contract Status, Approved/Pending Change Orders, and Contract Issues. The Loan Information section is the same as in the previous page. The Construction Contract Status section reflects all of the applicable information from the construction contract and is tied together with the current and past draws of the project to better show the progress of the budget. The Approved/Pending Change Orders section reflects a summary of the change orders' status. If there are any contract issues, they will be shown in the Contract Issues section.

The Construction Disbursement Adjustments page has only one addition, the rec-

ommended deductions by the Contractor/Payee. It is located at the bottom of the page and reflects any deductions made which are applicable to specific subcontractors.

The Construction Disbursement Recommendation page has one new addition, the Loan Information section. This area gives a more detailed description of the contract and its relation to the current draw.

Our last page, the Executive Summary, has been adjusted to highlight the pertinent items in the draw. We have maintained our project close-out notice for projects which are nearing completion. This page will only be sent with the report when a project is nearing completion. It still includes a check-

list of what should be obtained before the final release of retention.

We are excited about our CAM project and believe it will provide you with better and more succinct information to make your disbursement decisions. If anyone is interested in reviewing the report prior to issuance please contact us. LQA will be happy to e-mail or fax a sample format.

Quiz (from page 1)

- E. A piece of wood veneer or bundle of pieces of wood veneer.
- F. Delicate ornamentation often using fine gold, silver, or copper wire on gold or

Answers: 1-C, 2-B, 3-F, 4-A, 5-E, 6-D,