

SCOPE OF SERVICES



MANAGEMENT OVERVIEW

MANAGEMENT COMPANY DUTIES AND RESPONSIBILITIES:

The management company (VCM) is charged with all tasks as stipulated and referenced herein and any other duties as may be accepted by the two parties.

CC&R'S COMPLIANCE:

VCM shall be responsible to become fully acquainted with the Homeowners Association's Declaration of Covenants, Conditions and Restrictions, together with all subsequent amendments thereto, the Rules and Regulations, Bylaws, Articles of Incorporation, Architectural Control and Design Review guidelines.

MANAGEMENT COMPANY:

At Vision Communities are assigned a "team" rather than a property manager. The team consists of a certified community manager, a community administrator & a community accountant. These three individuals make of the core of every community & act as the main points of contact for Board Members and homeowners. Additional resources include a compliance office, an area manager & two Sr. Vice Presidents. Additionally, as part of the team operating concept, senior management & support personnel participate in contract review meetings to ensure all VCM team members are intimately aware of the financial & operations element of the community as well as the physical elements.

PROPERTY MANAGER DUTIES:

VCM shall serve as the management company, attending to all responsibilities stipulated in the attached contract. VCM shall take its ultimate direction from the elected representatives of the Homeowners Association. No "conflicts of direction" occur under this team management system as the board works directly with the management team and not employees who may be responsible to supervisors not directly related to the contract.

RECREATIONAL SITES:

VCM is responsible for the management of the recreational sites, although it is understood that VCM's duties may be fulfilled through the supervision of association approved vendors.

BANK ACCOUNTS:

Bank accounts shall be maintained and reconciled by competent accounting service personnel of VCM. VCM proposes that a duly authorized representative of the management company shall be an authorized signer upon the accounts for the following reasons: it is often not practical in emergency situations to find an authorized board member

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readily available to sign, it is possible that through sudden resignations or other unforeseen circumstances no authorized board member remains to sign checks or submit for new signature cards. We suggest that a principal of VCM, who is not directly involved with accounting workflow, be an authorized signatory to the account, and that the account be established to provide that checks under \$5,000.00 require one signature and checks over \$5,000.00 may require a second signature. The Treasurer or President shall be the second association signatory. Copies of all checks written, and the invoices said checks pay, will be included in the monthly financial packet received by the association Treasurer.

FINANCIAL AUDITS:

VCM shall secure bids for an annual compilation, review or audit to be completed by a Certified Public Accountant in good standing and specializing in Association audits and reviews. As part of this annual function, the association income tax and Arizona Corporate Commission filings shall also be prepared. The Board of Directors shall have final selection authority on this contract and shall be invoiced directly by the CPA firm selected.

INDEPENDENT CONTRACTOR STATUS:

The agreement recognizes VCM as an independent contractor/vendor of the association. All employees of VCM fall under their responsibility in terms of payroll taxes, unemployment, worker's comp, etc. Any personnel changes related to the Homeowners Association shall be discussed with the Board of Directors.

WORK PRODUCT RULE:

All information developed by VCM relating to services provided under this contract shall be the exclusive property of the Homeowners Association and shall be turned over to the Association upon termination of the management contract. Access to such work must be in a timely fashion and in accordance with Arizona law. It is understood that software programs used in the management and accounting operations are proprietary and are not transferable under this agreement. Work product relates to documents, compact disks, floppy disks, maps, prints, customer and vendor files and related papers relative to the association.

DATABASE:

A current homeowner database, which contains all necessary information to facilitate legal communication with such homeowners, shall be maintained. This information is deemed confidential and may not be released without approval of the board of directors.



COMMUNICATION PLAN: A communication plan will be included in the proposal.

OTHER SERVICES: VCM has the capability of providing directly or contracting for a host of ancillary services. These can be discussed and reviewed during VCM's board presentation.

MANAGEMENT AND ACCOUNTING SERVICES

ACCOUNTING | FISCAL SERVICES

- Provide a computerized accounting system consisting of comprehensive monthly financial statements with budget variance analysis.
- Prepare year-end financial statements.
- Coordinate and cooperate with CPA firm selected to perform tax, review and corporate commission filings.

ADMINISTRATION OF ASSOCIATION FUNDS

- Receive and administer the funds of the association.
- Approve, process and prepare checks weekly on a general account of the association for payment of bills.
- An officer of the board or assigned management personnel will sign all association checks to insure timely processing and payment to vendors.
- All invoices are to be approved and coded by the Community Manager prior to input into accounting system.
- Copies of checks and paid invoices will be delivered to the Board Treasurer on a timely basis after each check run for review.

ADMINISTRATIVE | CLERICAL SERVICES

- Board meeting preparation, attendance and follow-up for the general and executive sessions, which includes a board packet with agenda and support materials along with financial reports outlined in contract. Act in conjunction with and on behalf of the association to ensure all Board of Director duties are accomplished.
- ACC meeting coordination and attendance as necessary.
- Annual meeting preparation, attendance, administration and coordination (notices, agendas, proxies and ballots, and supervisory personnel to ensure election is in compliance with the bylaws of the association and Arizona State Statutes).
- Minutes of all regular board meetings and executive sessions.
- Computer maintenance of member, renter | lessee roster.
- Individual homeowner records and lot file maintenance.
- Resales: prepare and process transfer and disclosure information.

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- Resident information pamphlet preparation and distribution to new homeowners.
- Newsletter coordination with board direction on articles and content.
- Website coordination of updates and input for HOA webpage.
- Special mailings, photocopying, etc. (billed back to the association).
- Liaise with legal services, City and appropriate vendors necessary to fulfill board duties and responsibilities.
- Work order processing, general communication with residents and vendors and fee for service coordination of special community events.

BANKING SERVICE

- VCM will maintain the accounts of Homeowners Association in one or more financial institutions specified by the Board of Directors.
- Reserve funding will be held separate from operating funds and invested in money market accounts to provide for maximum FDIC security and returns.

SOLICITATION I CONTRACTS

- VCM will abide by board procedures for solicitation and securing of contracts.

BILLING SERVICES FOR ASSOCIATION DUES AND COLLECTION OF ACCOUNTS

- VCM will bill, request, demand as needed and receive payments for all assessments from homeowners using a lockbox or coupon direct deposit into a financial Institution.
- VCM will handle all receivable processing, provide delinquency follow-up and collection services on assessments and deed violation fines as per defined, approved collection policies of Homeowners Association.
- Collection fees are an additional cost billed to Homeowners Association and charged to the homeowners account.
- Lien filings and foreclosure proceedings will be detailed in the collection policy as approved by Homeowners Association.

BOOKS, RECORDS AND BUDGET PREPARATION

- VCM will maintain a record of all income and expenses and will provide the board of directors with a monthly financial packet as specified in the monthly reports section of this proposal. Financial reports shall be completed as soon as practicable after receipt of bank statements and all necessary information required to facilitate month end closing.
- VCM will provide a preliminary operating budget at least 90 days prior to the start of the new fiscal year.
- VCM will provide a review of reserves for capital expenditures and a monthly budget tracking report. If a certified reserve analysis study is warranted, VCM will assist in securing bids for these services.

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PROPERTY INSPECTIONS

- VCM will meet with landscape maintenance vendor a minimum of 1x per month to inspect the project for maintenance, along with other contract performance inspections, as needed.
- VCM will handle all enforcement of CC&R violations in a manner approved by the Homeowners Association and make available an appropriate number of hours per week to inspect the project for deed violations and other items, ensuring each property is inspected at least once per week.

INSURANCE

- VCM to comply with all stated insurance requirements.

MEETINGS

- Management Company will attend up to 12 monthly board meetings and 1 annual meeting per year.
- Management Company shall participate in regular architectural/landscape meetings each month until such time as participants are appropriately trained to conduct said meetings. VCM will be responsible for the collection of design review applications and the production of meeting packets for said committees. VCM shall further be responsible for communicating hearing outcomes to members and tracking information within lot files.
- Should the Board so direct, VCM will arrange for personnel to take and transcribe meeting minutes for all board meetings, executive sessions and annual meetings.

ARCHITECTURAL COMMITTEE

- VCM will assist the Committee in its administration of architectural submittals from homeowners.