



A refreshingly different approach to better community management

July 7, 2020

Ms. Stephanie Hoogerwerf
Raven Ridge Association, Inc.
156 Raven Ridge
Maggie Valley, NC 28751

Via: Email

Dear Ms. Hoogerwerf,

Thank you for your time and for contacting us about management services for your association.

We are pleased to provide you with a management proposal and look forward to the opportunity to work with your Board of Directors. Also, we can tailor many of our services to suit your community's unique needs.

Please feel free to contact me with any questions or concerns that you may have about our services. We will also be glad to attend your next Board meeting to discuss our services and answer any questions your Board of Directors may have.

Respectfully,

A handwritten signature in black ink, appearing to read 'M. Stinson', written over a light grey dotted background.

Martin E. Stinson
Business Development Manager
Community Association Management
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Raven Ridge Association, Inc. eManageSuite® Management Proposal

July 7, 2020

Prepared for: Stephanie Hoogerwerf

Prepared by: Martin E. Stinson

DESCRIPTION

Community Association Management welcomes this opportunity to assist your association, and is pleased to present our proposal for services. This proposal is based upon the following parameters:

Currently:

- Raven Ridge Association, Inc. is a mandatory association of 30 Single Family homes in Maggie Valley, NC. The average annual assessment is \$1,000.00. Raven Ridge Association, Inc. has a pavilion, private roads and other common areas.

All information contained in this proposal is proprietary and confidential, and is intended only for the use of our prospective client organization. Proposal is good for 30 days from the date of issue.



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EXECUTIVE SUMMARY

The Objective...

The Homeowners for Raven Ridge Association, Inc. desires management services for their 30 member association.

- ◆ Provide daily management services for the association, while meeting the demands of both the board of directors and the homeowners in the association.
- ◆ Collection of outstanding assessments.
- ◆ Violation enforcement and ARC Requests.

The Solution...

Community Association Management would assume management responsibilities for Raven Ridge Association, Inc. and begin a staged approach to resolve the outstanding issues, while working with the Board of Directors to work toward the community's long term goals and commitments.

- ◆ Work with the board to prepare a long term budget and recommend options for the future.
- ◆ Assist the Board of Directors in evaluating current vendors for maintenance and upkeep of the common areas, and make appropriate recommendations where needed.
- ◆ Review outstanding homeowner accounts and pursue collection options as directed by the Board.
- ◆ Provide tools for Board members to process Violations and ARC Requests

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PROCESS SUMMARY

Staged Implementation:

We propose the following staged implementation of our services:

Phase one (30-45 days prior to start):

Work with Board and previous management to transition records to setup the association with Community Association Management. Enabling us to provide on-going management and support as directed by the Board of Directors.

Phase two (3-5 days after start):

Initial creation and Setup of homeowner website, a web portal that would allow the individual homeowner to view accounts, submit ARC applications, submit work orders and pay assessments.

Provide a communication to your homeowners introducing our company and providing them with general information that includes point of contact, Website Address, ARC process, violation inspections and an ACH form.

Phase three (10 days after start):

Begin follow-ups on outstanding collections.

Phase four (30 days after start):

Training for Board member tools for Violation processing and ARC requests

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SERVICES PROVIDED

Scope of Work:

Community Association Management will provide the following services to Raven Ridge Association, Inc.

Provide Customer Service Department to answer your homeowners calls between 8:00 am to 6:00 pm 5 days a week (excluding holidays)
Service level standard of 4 business hours for Homeowner and Board Member Responses
Verbal Translation services for non-English speaking residents
Homeowner Calls logged to track issues and trends
Owner complaint and problem resolution
Electronic Document archival to ensure that every piece of communication related to a homeowners account is available and reproducible when needed
Maintain homeowner membership roster
New owner welcome packet with New Homeowner Orientation Video (Includes Spanish Subtitles)
Homeowner Website
Provide Homeowners the ability to View account balances real time
Provide Homeowners Options to Pay assessments online with eCheck or Credit card
Allow homeowners to setup recurring online payments for monthly dues payments
Allow Homeowners to Submit and track ARC Requests online
Allow Homeowners to Submit and track work orders online
Calendar of Events
Homeowner/Board Member Directory
Document Library for Governing documents, newsletters and more
Board member only section of website for documents, ARC approvals and more
Accessible with your own domain name (www.Yourcommunityname.com)
One Hour of training for website administration for your board or designated communications committee members via Webinar
Architectural Review
Preliminary review to ensure all supporting documents submitted to enable your committee to decision
Ability for ARC/Board to review and approve applications online
Monthly report showing approved/denied applications in the last 30 days
Annual/Special Meetings
Announcement and agenda preparation
Timing of Meeting announcement mailing according to your Bylaws
Translator available for Spanish speaking residents (additional vendor charges will apply)
Payment Posting
Deposit all monies collected on behalf of the association in the associations operating account the same day received.
Credit all homeowner payments the day they are received
All checks imaged and available to Customer Service allowing for Homeowner account dispute resolution
Website Payments posted immediately and viewable by the homeowner
Homeowner Payment Options
Allow homeowners to sign up for Direct Debit of payments (ACH)
Allow payment of assessments online with eCheck or Credit card with no fee to the Association
Allow homeowners to setup recurring online payments for monthly dues payments

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Collections
Provide Association with a yearly choice of Monthly, Quarterly, Semi-Annual, Annual, or Custom billing options
Statements with detailed account history mailed each month to delinquent owners, and real time reporting through the website
Provide Homeowners the option for Paper Statements, Electronic Statements or Automatic Debit
Provide Lockbox service for processing payments submitted by mail
30, 60, 90 day collection letters mailed to delinquent owners
Payment plan negotiation with homeowners to avoid legal collections
Monthly Review of Payment plans for nonpayment and escalation to Legal
Legal collections (Lien/Foreclosure) for accounts that meet customized thresholds for time and dollar amounts. (legal charges & collection fees will apply)
Financial Reporting
Pay all expenses for the operation and management of the Property from the Associations funds held in accounts by us.
Monthly Financial reports that include bank statements and images of canceled checks
Financial report distribution by the end of the first week of each month
Report distribution via Email
Detailed reports showing budget variances to help control spending
Homeowner balances with last payment date and collection status
“Cash Based” accounting method - making financials easier to read and understand.
Financial Reports archived to Board Member only Section of Website
Budgeting
Preparation of next year's annual budget draft by August 31 st
Budgeting based on actual expenses – not just projected income
Assist the board to finalize budget for presentation at annual meeting/Budget Ratification Meeting
Assistance to determine annual assessment amounts, reserve funding, and capital project funding.
Tax Preparation – Coordination with CPA to File yearly Tax Returns (3 rd party vendor fees apply)
Reserve Studies for Replacement Reserves – Coordination with Reserve Study Company to produce report. (3 rd party vendor fees apply)
Transfer/deposit all monthly reserve contributions and management of reserve funds held in account by us
Yearly Insurance and Risk Review
Vendor Management
Maintain Approved Vendor list
Require Vendors to meet rigorous quality standards to be approved
Process to monitor vendor insurance and terminate services upon lapse of coverage
Self-Managed Board Member Management Tools
Track Violations, automatically escalate them based upon preset criteria, and assess violation fines
Automatically generate customized letters for each stage of a violation
Ensure that your violation process is followed accurately
Track & Decision architectural requests and generate customized architectural approval/denial letters
Manage and track work orders for condo/townhome communities
Real time accounting, work order, ARC & violation reports
Eliminate the need to store paper files in a board or committee members home
One Hour of training on Board Member Tools via Webinar
Two User Id's for access to the online property management system
Provide a team of association coordinators for general assistance to the Board of Directors

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ADDITIONAL SERVICES

Community Association Management will provide the following optional services to Raven Ridge Association, Inc. These items are available, but not required.

- ◆ **Credit Bureau Reporting for Association Assessments**
- ◆ **Reserve Studies**
- ◆ **Consulting Services**
- ◆ **Banking**
 - CD and Money Market accounts with competitive rates
 - Deposits eligible for up to **\$25 million deposit insurance**
 - Loan programs with competitive rates, especially designed for associations
- ◆ **HOA Awareness**
 - Up to 90% of homeowners do not read their HOA documents or attend Board meetings. Lack of awareness and understanding creates problems for homeowners, property managers, homebuilders, developers and others who work with and for HOAs. Homeowners need HOA orientation in a format they will use. Our online video is the solution.
 - In just 15 minutes approximate running time, our New Homeowner Orientation Video presents information homeowners need to avoid problems and benefit from HOA living. Increasing Homeowner Awareness, Understanding and Involvement makes life better for everyone involved with Common Interest Communities.
 - Aware, informed homeowners become involved. Involved homeowners build community spirit and make their neighborhood the best kind of place to live. HOA Awareness, Understanding and Involvement is our Mission.
- ◆ **24/7 Emergency Service Line**
- ◆ **Obtaining bids for projects over \$3,000.00**
- ◆ **Lease cap administration**

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ACCOUNTABILITY

Raising the Bar on Service Integrity

Community associations rely heavily on management companies for the proper handling of the organizations financials, data reporting and storage of sensitive information. Mishandling of this information can lead to disastrous consequences for a community.

At Community Association Management, we take this responsibility very seriously and are committed to providing our clients with the highest service standards in the industry. We recently took one step further to assure the quality of our standards by voluntarily undergoing an intensive SSAE-16 Audit administered by a third-party CPA.

What does this mean to you? This audit confirms that Community Association Management's operations are in accordance with strict guidelines for security, availability, processing integrity, financial reporting, confidentiality and privacy. As a result of this audit, we have received the AICPA SOC seal. This benchmark for our company is a reassurance to our clients that their information and activity is both secure and well managed.

When it comes to choosing a management company for your community, don't settle for anything less.



To learn more about the SSAE 16 audit or the AICPA SOC seal, please visit <http://www.ssaе-16.com>

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COST SUMMARY

Management Services	Price
Monthly Management Fees (1 Year Contract)	\$ 169.50
Total Base Management Costs (1 Year Contract):	\$ 169.50
One-Time Fees	
Setup/Conversion – (payable 1 st month of contract)	\$ 200.00
Other “Event Driven” Fees	
Collection Management Fee Each Occurrence (lien/foreclosure)	\$ 45.00
Certification Processing Fee (billed to buyer/seller at closing)	\$ 85.00 Base Fee
Current Owner Search (returned mail, lender foreclosure, etc.)	\$ 30.00
Returned Check Fee (billed to homeowner)	\$ 30.00
Domain Name Registration (<i>YourName.com</i>) (yearly)	\$ 50.29
Registered Agent Fee (yearly)	\$ 100.00
Ongoing Monthly Costs	
Billing statements, mailing supplies and postage	Billed at cost
Other Mailing Services	Billed at cost
Miscellaneous/Optional Costs	
Additional Board member training (Website Administration)	\$ 75.00 hr.
Capital Expenditure Project Management	\$ 10% of project
	TOTAL AMOUNT
TOTAL MONTHLY AMOUNT	\$ 169.50
TOTAL YEARLY AMOUNT	\$ 2,034.00 + expenses above

Standard Disclaimer: Should any information in the parameters used to prepare this proposal be incorrect, prices and service levels are subject to change.

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COST SUMMARY

Important Items to Note

1. All of our services are completely customized to your association's unique needs. We do not force you into our way of doing business.
2. Unlike some other management companies, we won't gouge you with additional monthly fees. Here's just a few examples:
 - a. Late fees and fines – we believe these belong to you, not us, so you keep 100% of the fees we collect for you!
 - b. No additional charges for special or one time assessments
 - c. No monthly bank service charges. Your accounts are free.
 - d. We don't charge the homeowners extra to use ACH, eCheck* or credit card* to pay their accounts.
 - e. We don't charge for storage of your Associations records.
 - f. Your monthly management fee includes all of our services except actual mailing and postage expenses related to your association.
3. Our company and employees are bonded and insured for your protection, and ours.

Service Levels

1. **Response times** for calls and emails from the board to your association coordinator is 4 business hours, however we strive to respond within 1-2 hours.
2. **Payment schedules** – Bills are paid weekly. Any billings received prior to each cycle will be paid that cycle.
3. **Financial Reports** – Our associations enjoy the benefit of receiving complete financial packets by end of the **FIRST FULL WEEK** of the following month.

*Banks or card issuers may charge the homeowner a small percentage of the credit card transaction at the time of the online payment to cover the cost of processing the payment. These fees are not charged by us, and any charges are the responsibility of the homeowner, not the association.

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MISSION STATEMENT

About Us

Our company was founded in 2006 by individuals who, as former board members, were not satisfied with the way “cookie cutter” management companies were managing our associations. We know that each association has its own unique needs, requirements and demands, and it is our belief that every association should have the right to choose a management company that is flexible enough to provide a solution that fits, rather than adopt a “one size fits all” mentality.

At Community Association Management, our driving philosophy has been to make the lives of those we serve easier and more fulfilling, while enhancing and protecting what is for many a lifetime investment. Through hands-on management, superior customer service, and industry-leading innovations, we strengthen communities and protect property investments. Basically, our mixture of good old-fashioned hard work and innovation can provide big results for your community.

At Community Association Management, we offer the best services available in the industry at the best value for all of the communities we manage. Our focus is to grow and maintain our base of communities by providing the best customer service, extensive planning, and industry innovations available while maintaining the flexibility to better meet the needs of each individual community. It is this commitment to providing a superior product and our dedication to employee education and training that has allowed us to set the stage for what we believe to be the future of community management.

The right partner makes all of the difference.

As with everything in life, having the right people on your side can make a world of difference. At Community Association Management, we understand the hard work involved in assuring that an association runs smoothly, and the importance of meeting and exceeding residents' expectations. It's a balancing act unlike any other and one that we've perfected as a leader in community management.

When you choose Community Association Management as your management partner, we will carefully select for your community a management team that will help maintain the balance. From full community management to project consulting, your Community Association Management manager and administrative team will handle the full range of duties with confidence – from managing meetings, handling correspondence, and examining financial statements to answering questions from the board of directors or association members at large.

We have a proven track record of helping associations just like yours run smoothly and in accordance with their governing documents and local ordinances.

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CODE OF CONDUCT

Code of Ethics

At Community Association Management, we are focused on providing superior service with definitive results that ensure success and longevity for our communities. That's why we have adopted a code of ethics to ensure our success:

1. Comply with current bylaws, standards and practices as may be established from time to time by CAI subject to all federal, state and local laws, ordinances, and regulations in effect where Community Association Management practices.
2. Participate in continuing professional education through CAI and other industry related organizations.
3. Act in the best interests of the client; refrain from making inaccurate or misleading representations or statements; not knowingly misrepresent facts to benefit Community Association Management or the company.
4. Undertake only those engagements that we can reasonably expect to perform with professional competence.
5. Exercise due care and perform planning and supervision as specified in the written management agreement, job description or duly adopted Board policies.
6. Disclose all relationships in writing to the client regarding any actual, potential or perceived conflict of interest between Community Association Management and other vendors. Community Association Management shall take all necessary steps to avoid any perception of favoritism or impropriety during the vendor selection process and negotiation of any contracts.
7. Provide written disclosure of any compensation, gratuity or other form of remuneration from individuals or companies who act or may act on behalf of the client.
8. Insure that homeowners receive timely notice as required by state statutes or legal documents and protect their right of appeal.
9. Disclose to the client the extent of fidelity or other contractually required insurance carried on behalf of Community Association Management and/or client and any subsequent changes in coverage, which occur during Community Association Management's engagement if the amount is lower than the contract amount requires.
10. See that the funds held for the client by Community Association Management are in separate accounts, are not misappropriated, and are returned to the client at the end of Community Association Management's engagement; Prepare and furnish to the client accurate and timely financial reports in accordance with the terms of the management agreement, job description or duly adopted Board policies.
11. Recognize the original records, files and books held by Community Association Management are the property of the client to be returned to the client at the end of Community Association Management's engagement; maintain the duty of confidentiality to all current and former clients.
12. Refrain from criticizing competitors or their business practices; Act in the best interests of our Employers; Maintain a professional relationship with our peers and industry related professionals.
13. Conduct ourselves in a professional manner at all times when acting in the scope of our employment.
14. Not engage in any form of price fixing, anti-trust, or anti-competition.
15. Not use the work products of colleagues or competing management firms that are considered proprietary without the expressed written permission of the author or the management firm.



REFERENCES

The following are some of our clients who have agreed to be references. Feel free to contact any of our references about their experience with Community Association Management.

- ◆ **Timber Rock POA** Lenoir, NC – 128 homes/lots

William Howard
Board President
Phone: contact via e-mail only
E-mail: williamhoward@bernhardt.com

- ◆ **Diamond Falls POA** Cartoogechaye, NC – 69 homes/lots

Tim Hubbs
Developer/Declarant
Phone: contact via e-mail only
E-mail: thubbs@nanthahalabank.com

- ◆ **Austin Creek POA** Lenoir, NC – 30 homes/lots

Ryan Nesbit
Board President
Phone: contact via e-mail only
E-mail: mrmesbit@yahoo.com

- ◆ **We are proud to be members of the following organizations:**





BONDING DOCUMENTS

Our company and employees are bonded and insured for your protection, and ours.

◆ **General Liability Insurance**

Issued by: Carolina Underwriters/Auto Owners Insurance

Reference Number: 009301595

Amount: \$4,000,000.00 Aggregate

◆ **Errors & Omissions Insurance**

Issued by: US Liability Insurance Company

Reference Number: PM 1002109

Amount: \$2,000,000.00

◆ **Fiduciary Dishonesty Bond**

Issued by: CNA

Reference Number: 596423398

Amount: \$3,000,000.00