

## Introduction to MGM Association Management and This Agreement

Welcome to MGM Association Management, Idaho's trusted partner for Homeowners Association (HOA) management services since 1999. We are proud of our industry-leading reputation and dedication to meeting the distinctive needs of HOA boards and homeowners. This agreement provides a comprehensive overview of our wide range of services, our commitment to excellence, and the expectations we aim to meet. Our primary goal is to enhance the quality of community living and ensure the smooth operation of your HOA through professional management, transparent communication, and prompt support.

In this agreement, we'll often refer to the Board of Directors as the "Board" and clarify their roles and responsibilities when working with MGM. We understand that serving on an HOA Board is a voluntary role, and our goal is to simplify the workload for our Board Members. We assist by providing guidance, helping with plan and budget execution, offering informed recommendations, and managing day-to-day HOA operations.

We have attempted to make this contract as clear and transparent as possible to prevent misunderstandings that can lead to frustrations and mistrust. Furthermore, several times throughout this contract, we have required Board Initials (Figure 1). We purposely added board-initial sections throughout areas of the contract that have historically been misunderstood or overlooked by Boards. If you have any questions about the initial-sections, or any other part of this contract, please contact your MGM sales representative.

Board Initial

Figure 1

Lastly, it's imperative to know that when a board partners with MGM, **the Board retains full decision-making control.** The Board makes all executive decisions, and MGM's role is to provide guidance and carry out the Board's choices. To be successful, MGM will rely on the Board to make timely decisions and maintain a healthy relationship based on communication and trust.

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## 1.0 Financial Management Services

Great HOA management starts with sound financial management of an Association's funds. MGM provides the following services to keep associations financially sound:

### 1.1 Creating and Managing the HOA Budget

Creating and managing an HOA budget can be a daunting task, especially for inexperienced volunteer board members. Balancing income, expenses, and ensuring financial transparency requires expertise and attention to detail. However, with MGM, we offer the necessary guidance and support to keep the association's finances sound and transparent by providing the following services:

**a. Prepare and Recommending A yearly Budget:**

- a. MGM understands that each Association has distinct financial requirements, influenced by factors such as the number of homes, maintenance costs, dues/assessments, and more. We collaborate with the Board to offer a recommended budget approximately 60-90 days before the start of the new year, allowing ample time for discussions, decisions, and adjustments to ensure a tailored and well-prepared financial plan. Our goal is to secure financial stability and prepare for future projects based on your Association's unique needs and goals.

**b. Budget Distribution to Homeowners:**

- a. After the budget is finalized, MGM assists in distributing the budget (via physical mail and/or email) to homeowners in accordance with state and local laws, CC&R rules, and the Board's directives. The budget can also be made available to homeowners via the online homeowner portal.

**c. Monthly Audits & Reports:**

- a. MGM performs a monthly budget-to-actual comparison, actively monitoring financial performance. If discrepancies arise that could potentially impact the HOA, we promptly notify the Board and offer recommendations for necessary adjustments.

## 1.2 Billing Homeowners and Collecting Assessments

While assessment, billing and management are essential for ensuring the fiscal viability of any Association, they often represent the most tedious and challenging tasks for volunteer Board Members. However, with MGM, we alleviate this burden by providing easy, transparent, and stress-free services, including:

**A. Efficient and Transparent Billing Procedures:**

- a. MGM implements streamlined billing procedures to ensure accuracy and efficiency in invoicing homeowners for their assessments.

**B. Automated Billing Systems:**

- a. Leveraging advanced technology, MGM utilizes automated billing systems to generate and distribute assessment invoices promptly and reliably.

**C. Flexible Payment Methods:**

- a. MGM offers convenient online payment options for ease of use, with the most common payment method being our online method with a credit card. It's important to note that online payments incur a 3% charge, which is a fee required by the online payment collection service and not imposed by MGM. Alternatively, Association residents can opt for Automated Bill Pay through their bank or choose to send a check or money order to MGM's bills and payments mailing address: PO Box 52927, Phoenix, AZ 85072.

**D. Flexible Payment Solutions & Frequencies**

- a. MGM collaborates with each Board to tailor payment solutions to their specific needs, offering a variety of payment options and billing frequencies. This includes the flexibility to choose billing frequencies such as annual, quarterly, or monthly billing. Additionally, we can set up payment plans to accommodate homeowners who require more flexibility, whether as a permanent option or for delinquent homeowners seeking assistance.

**E. Professional Communication:**

- a. MGM maintains professional communication channels with homeowners throughout the billing and collection process, providing clear instructions and assistance to facilitate timely payments.

**F. Delinquency Monitoring:**

- a. MGM conducts diligent monitoring of delinquencies, promptly identifying and addressing any overdue assessments to uphold financial stability within the Association.

**G. Dispute Resolution Assistance:**

- a. In instances of billing disputes or concerns, MGM provides dedicated support to homeowners, offering assistance and guidance to resolve issues effectively and amicably. In most cases, the Board will be the ultimate decision maker in approving a resolution path, including waiving fees (unless there is a pre-approved process or fees are a result of an MGM error).

## H. Transparent Reporting:

- a. MGM ensures transparency in the billing and collection process by providing homeowners with clear and detailed financial reports, fostering trust and accountability within the community. Board Members are also provided a monthly status report.

## I. Issuing Fines or Fees:

- a. In accordance with CC&R limitations and the Board's direction, MGM facilitates the issuance of fines or fees, ensuring adherence to established protocol.

## J. Delinquency Recommendations:

- a. MGM offers recommendations on next steps for delinquent accounts, providing suggestions for adherence to established protocols or consulting on unique situations to address delinquencies effectively.

## K. Filing and Managing Liens:

- a. Unfortunately, delinquency sometimes results in filing liens. MGM can facilitate the filing of either a standard lien or a foreclosure-eligible lien, as permitted by law and in accordance with the Association's policies and procedures. MGM will never file a lien without board directive to do so.

## 1.3 Creating and Managing Association's Bank Account(s)

### A. MGM Creates and Manages a First Citizen's Bank Account

- a. As part of the onboarding process, MGM will create a First Citizens bank account for the association. This account will serve as the primary platform for bill payments and revenue collection, including assessments. **This process is required.** All of MGM's payment and assessment automations are integrated with First Citizens.
- b. In addition to financial reports, Board members may request login access directly to their First Citizens accounts.

### B. No Debit Card Issuances:

- a. To minimize auditing expenses and prevent potential misuse, MGM does not authorize the usage of debit cards by Board members. Instead, they are required to complete a reimbursement form to request reimbursement from MGM.

### C. Additional Bank Accounts Outside of First Citizens:

- a. The Association is at liberty to maintain additional bank accounts independently. However, please be aware of the following conditions:
  - i. MGM will not possess access to these accounts. Therefore, to ensure accurate accounting, the Board must provide MGM with monthly bank statements.
  - ii. Depending on the complexity involved, MGM reserves the right to impose additional fees for overseeing multiple banking accounts beyond those held with First Citizens.

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## 1.4 Managing and Paying HOA's Bills & Expenditures

### **D. Efficient Bill Payment:**

- a. As the Agent, MGM assumes the responsibility of promptly paying all bills on behalf of the Association. This ensures that Board Members are relieved of the burden of managing day-to-day expenses and guarantees that payments are made on time.

### **E. Monthly Bank Reconciliation:**

- a. Each month, MGM diligently audits expenses and conducts a thorough bank reconciliation process to ensure accuracy and transparency in financial transactions.

### **F. Transparent Expense Reporting:**

- a. MGM is committed to providing full transparency in all financial matters. Each month, we furnish the Board with a comprehensive packet, which includes:

### **G. Copies of Paid Invoices:**

- a. Providing clear documentation of all paid invoices.

### **H. Line-Item Accounting:**

- a. Detailed breakdowns of expenditures, aligning with the approved budget allocations.

### **I. Copies of Bank Statements:**

- a. Ensuring complete visibility into financial transactions.

### **J. Streamlined Handling of Unexpected Expenses:**

- a. In preparation for unforeseen events, MGM collaborates with the Board to establish rules and protocols. Together, we create a list of specific events and budget limits, granting MGM authorization to act without requiring immediate Board decisions. For instance, a Board may authorize MGM to approve and pay for sprinkler-head repairs and associated damage or approve payments for unexpected bills/services under a predetermined threshold (e.g., \$300). This pre-approval process expedites service and resolution, aligning with homeowners' expectations. For any non-pre approved, unexpected expenditures, MGM will seek Board approval before taking any action.

### **K. Resolution of MGM Billing Errors:**

- a. In the event that MGM makes an error related to paying bills, and it is determined to be MGM's fault, MGM shall take full responsibility for rectifying the situation promptly. This includes, but is not limited to, the following actions:
  - i. Payment of Late Fees and Fines: MGM will cover any late fees or fines incurred by the Association as a result of the billing error.
  - ii. Rectification of Billing Error: MGM will promptly correct the error and ensure that the affected bills are paid in full.
  - iii. Communication with the Board: MGM will immediately notify the Association's Board of directors and provide a detailed explanation of the error, steps taken to rectify it, and measures put in place to prevent future occurrences.

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## 2.0 Monthly Board Packet

To help boards prepare for their monthly board meeting, MGM will provide a monthly board packet by the 15<sup>th</sup> of each month. The board packet will include the following:

- a. **Budget Projected vs. Actual**
  - a. We keep boards updated on the financials numbers every month with easy-to-read reports.
- b. **Bank Statements**
  - a. We maintain transparency so the Board knows the total cash in the bank account. (This can also be checked online in real-time).
- c. **Bank Reconciliation Report**
  - a. This is an additional report that audits our transaction-reporting internally with the Association's bank account.
- d. **Delinquency Report:**
  - a. This helps boards stay current on delinquent homeowners and MGM's recommended next steps.

## 3.0 Communication and Service Levels

Quick, accurate, and easy-to-understand communication builds trust, reduces contention, and increases efficiency. MGM offers the following services for homeowners and Board Members:

### 3.1 Online Portal

Our online portal offers unparalleled convenience, providing 24/7 access to an array of self-service tools for both Association residents and Board Members.

#### A. For All Association Residents:

The following services are available to all residents and board members:

- a. Pay Assessments:**
  - i. Easily manage assessment payments through secure online transactions.
- b. Retrieve Balance:**
  - i. Access up-to-date account balances at your convenience.
- c. Access CC&R & Other Docs:**
  - i. Conveniently retrieve essential documents such as CC&R and other Association-related materials.

#### B. For Board Members with Specific Permissions:

- a. Access to Homeowner Information:**
  - i. Obtain pertinent homeowner information as required for effective Association management.
- b. Board Packet and Financial Data:**
  - i. Access comprehensive Board packets and related financial data for informed decision-making.

#### C. Delinquency Reports:

- a. Generate detailed reports on violations and delinquencies to effectively address compliance issues.



## 3.2 Homeowner Communications

Efficient communication with homeowners is essential for maintaining a cohesive community. MGM offers a comprehensive suite of homeowner communication services, including:

### **A. Manage Physical Mailings:**

- a. MGM handles physical mailings on behalf of the HOA, ensuring timely and accurate delivery of important notices and correspondence. Physical mailings include:
  - i. Assessments
  - ii. Annual Meeting Notices
  - iii. Delinquency Notices
  - iv. Previous Year's Budget

### **B. Dedicated HOA Email:**

- a. All homeowners can email MGM via our generic help address, [info@mgm.replypro.homes](mailto:info@mgm.replypro.homes).
- b. However, for expedited service, each Association is provided with a unique email address that automatically routes inquiries to the appropriate account manager, ensuring prompt and efficient communication.
- c. Homeowners will be provided with a point of contact email, provided by the board of directors, for any additional requests out of MGM's contractual agreement.

### **C. Office Phone Line:**

- a. Homeowners are encouraged to utilize the main MGM phone line for inquiries. Our dedicated staff strives to address real-time calls promptly during regular office hours. In the event of busy lines, homeowners are assured of a prompt callback upon leaving a voicemail, typically within the same day.

### **D. Financial-Related Communication Only**

- a. MGM will reply to all homeowner questions and communication related to financials, including, but not limited to: accessing the online portal, making assessment payments, setting up payment plans, responding to delinquency notices and more.
- b. All other communication will be forwarded to the board to an email address of their choice.

## 3.3 Board Member Communication

Effective communication channels are vital for Board Members to fulfill their responsibilities effectively. MGM offers tailored communication solutions for Board Members, including:

**A. Dedicated Email:**

- a. Board Members have access to a dedicated email address for seamless communication with MGM, ensuring efficient exchange of information and inquiries.

**B. Optional Dedicated Board-only SMS Line:**

- a. Board Members may opt for a dedicated SMS line exclusively for Board communications, facilitating quick and direct correspondence.

**C. Direct Phone Number to Account Manager:**

- a. Board Members have access to a direct phone number to their designated account manager, enabling them to reach out with questions or concerns promptly. Additionally, the account manager is available to provide support and guidance as needed.

## 4.0 Conflict & Resolution Processes and Steps

MGM has conflict resolution processes and steps for both Board Members and Homeowners. By following these steps, associations can find faster resolutions.

### 4.1 Process When Board Has Conflicts/Issues With Account Manager:

MGM believes that account managers should be the primary problem solvers for the accounts they manage. As part of the process, account managers (who will have the most knowledge about the specific Associations) are trained in conflict resolution techniques. However, if resolution is not met, the Board has an escalation process to involve MGM management.

#### **A. Step 1: Email Communication**

- a. Begin by emailing or sending a text message directly to the account manager outlining the issue.
- b. Boards can expect a response within 24-48 hours with confirmation of receipt and an estimated resolution timeframe.

#### **B. Step 2: Schedule a Call or Virtual Meeting**

- a. If email resolution proves ineffective or if the issue requires more detailed discussion, schedule a phone call or virtual meeting (e.g., Zoom Call) with the account manager.
- b. During this conversation, the account manager will document concerns, agreed-upon resolutions, and associated deadlines.
- c. Comprehensive meeting notes will be circulated to all board members for their reference.
- d. Boards can expect an update by the agreed upon deadlines. In the best case scenarios, the board will receive confirmation of the resolution. Minimally, the account manager will provide a status update with a new deadline for the next update or anticipated resolution date.

#### **C. Step 3: Schedule an In-Person Meeting**

- a. If step 2 does not lead to timely resolution, or no mutual agreements were made over the phone, MGM will meet with the entire board in a sit-down meeting at MGM's office location. The account manager will attend and lead the meeting.
- b. During this conversation, the account manager will document concerns, agreed-upon resolutions, and associated deadlines.
- c. Comprehensive meeting notes will be circulated to all board members for their reference.
- d. Boards can expect an update by the agreed upon deadlines. In the best case scenarios, the board will receive confirmation of the resolution. Minimally, the account manager will provide a status update with a new deadline for the next update or anticipated resolution date.

## **D. Step 4: Escalate to Management**

- a. If resolution or agreements remain elusive, the matter will be escalated to MGM's management team. The account manager may escalate to management at any time. MGM respectively asks Boards to follow steps 1-3 of the resolution process before requesting an escalation. Once escalated, the management team may then take any of the following actions:
- b. Call a board member for further clarification.
- c. Schedule a call or virtual meeting with the entire board.
- d. Schedule an in-person sit-down meeting with the board.
- e. Following discussions, the management will send new, detailed notes to all board members, and further updates or resolutions will be provided within the designated timelines.

## **E. Step 5: Contract Evaluation and Resolution**

- a. If both parties have diligently followed steps 1 through 4 in good faith without reaching a mutually satisfactory agreement or resolution, MGM will communicate with the Board to reassess the working relationship.
- b. In such cases, MGM's management will conduct a thorough review of the contract to explore the possibility of reaching an exit agreement that is mutually acceptable. If an exit agreement cannot be reached, the terms of the existing contract will remain binding for both parties (see cancellation policy).

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## 4.2 Homeowner Conflicts

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This refined approach ensures clarity and efficiency in handling homeowner concerns, ensuring all parties are informed and engaged throughout the resolution process.

### A. Step 1: Initial Communication

#### a. Email Communication:

- i. Homeowners are encouraged to direct their concerns via the specific hoa email address provided for their community. This ensures that the query is logged and can be tracked efficiently. Alternatively, homeowners can email our general office at [info@mgm.replypro.homes](mailto:info@mgm.replypro.homes)

#### b. Phone Communications:

- i. For those preferring verbal communication, MGM's main phone line remains open for queries.

#### c. Response Times:

- i. Upon receiving a concern, homeowners will generally receive an acknowledgment within 24-48 hours. This will include confirmation that their message has been received and an estimated timeframe for resolution.

- ii.

### B. Step 2: Complaint/Issue Categorization

Upon receipt of a complaint, MGM's first step is to identify whether the issue falls within its purview or that of the Association. This distinction is crucial for determining the appropriate resolution pathway.

#### a. Issues MGM Can Address Directly

- i. These are concerns directly related to the financial services provided by MGM.
- ii. The board is informed of all such issues, and both the board and the homeowner are kept updated on progress towards resolution.
- iii. Some issues may require board approval before action can be taken. Homeowners will be informed if their issue is pending board decision.

#### b. Issues Beyond MGM's Scope

- i. These are complaints that MGM cannot address due to limitations in authority or scope. MGM's role in these instances is to respond promptly, informing the homeowner of MGM's limitations, and direct them to the Board's email.

#### c. Personal Account Inquiries

- i. Concerns related to individual account details, such as balances or login issues, are prioritized for immediate resolution.
- ii. If a matter requires board intervention (e.g., payment plans, fine adjustments), MGM will inform the homeowner accordingly, forward the concern to the board, and serve as a liaison until resolution.

## 5.0 Legal Definitions and Statements

By initialing, the Board understands, acknowledges, and agrees to all definitions and statements in section 5.0

Board Initial

### 5.1 BONDING OF EMPLOYEES

A bond protecting the Association shall cover all employees of Agent who handle or are responsible for the safekeeping of any monies of the Association. Such bond shall be in an amount and with a company determined by Agent and may be a blanket or umbrella bond.

### 5.2 ONE BOARD MEMBER MAY REPRESENT ENTIRE BOARD

MGM strongly advocates for inclusive communication, preferring to engage with all board members simultaneously via email to foster transparency and support unified decision-making. This approach ensures that every member is informed and has a voice in the deliberations, aligning with our commitment to transparent operations. However, we recognize there may be instances or board preferences where a single member communicates on behalf of the board. In such scenarios, it is imperative that the member explicitly states they are acting with the board's consensus. MGM will consider decisions communicated under these conditions as if they have the full board's approval, making them binding. Should any discrepancies arise among board members regarding such decisions, MGM will not be held accountable. This policy reinforces our dedication to clear communication while respecting the board's internal dynamics and decision-making processes.

### 5.3 AGENT ASSUMES NO LIABILITY

Agent assumes no liability whatsoever for any acts or omissions of the Board of Directors or previous Boards, the Association, or previous owners of the Property, or any previous management or other agents of either. Agent assumes no liability for any failure of or default by any individual Owner in the payment of any assessment or other charges due the Association or in the performance of any obligations owed by any individual owner to the Association pursuant to any lease or otherwise. Agent likewise assumes no liability for any failure of or defaults by concessionaires in any rental or other payments to the Association. Nor does Agent assume any liability for previously unknown violations of environmental or other regulations that may become known during the period this Agreement is in effect. Any such reoccurring violations or hazards discovered by Agent shall be brought to the attention of the Board in writing, and the Board shall promptly cure them.

## 5.4 SAVE AGENT HARMLESS FROM LIABILITY SUITS

The Association shall indemnify, provide defense, and save Agent harmless from all suits or other claims including, but not limited to, those alleging any negligence of Agent or its employees in connection with the Property or management thereof and from liability of damage to Property and injuries to or death of any employee or other person providing the Agent was acting pursuant to the Board's instruction or in the normal course of business on behalf of the Association. The Association shall pay all expenses incurred by Agent including, but not limited to, all attorneys' fees, costs, and expenses incurred to represent Agent in regard to any claim, proceeding, or suit involving alleged negligence of Agent or its employees in connection with or arising out of the management of the Property. If the insurance company finds that the Agent or its employees acted negligently or breached this Agreement, the Association shall be exempt from bearing the Agent's costs.

## 5.5 PAY ALL EXPENSES OF ANY LITIGATION

The Association shall pay all expenses incurred by Agent including, but not limited to, Agent's costs and time, all liability, fines, penalties or the like, settlement amounts, and attorneys' fees for counsel employed to represent Agent or the Association in any proceeding or suit involving any alleged or actual violation by Agent, the Association or the Board, or any combination of all of them, of any law or regulation of any governmental body pertaining to environmental protection, fair housing, or fair employment, including, but not limited to, any law prohibiting or making illegal discrimination on the basis of race, sex, creed, color, religion, national origin, family status or mental or physical handicap. The Association shall not be responsible to Agent for any such expenses in the event Agent is finally adjudged to have violated any such law. Nothing contained in this Agreement shall obligate Agent to employ legal counsel to represent the Board or the Association in any such proceeding or suit.

## 5.6 INDEMNIFICATION SURVIVES TERMINATION

### 5.6.1 Indemnification of Association:

The Association shall indemnify, defend, and hold the Agent harmless from any and all claims for damages, injuries, costs, expenses, attorney's fees, suits, or liabilities of any nature whatsoever, whether known or unknown and whether direct or indirect, as though expressly set forth and described, which Agent may incur, suffer, become liable for, or which may be asserted or claimed against Agent arising out of Agent's performance of its duties under this Agreement, or hereafter granted to Agent, or otherwise arising out of the management of the Association by Agent, unless such act/omission rises to an act of negligence or breach of contractual duty on the Agent's part. This indemnification provision shall not be limited to claims, expenses, or liabilities for which one of the parties is solely liable, but shall also apply to claims, expenses, and liabilities for which Agent and the Association are jointly and concurrently liable.

### 5.6.2 Indemnification of Agent:

The Agent shall indemnify, defend, and hold the Association harmless from any and all claims for damages, injuries, costs, expenses, attorney's fees, suits, or liabilities of any nature whatsoever, whether known or unknown and whether direct or indirect, as though expressly set forth and described herein, which Association may incur, suffer, become liable for, or which may be asserted or claimed against Agent arising out of: (1) any act or omission by Agent, its members, officers, directors, employees or agents, which violates any law, ordinance, statute, regulation or ruling of any governmental agency unless such action is taken at the express request of the Board of Directors; or (2) any act or omission by Agent taken in violation of the instructions of the Board or that obligation which is provided under this management agreement , or (3) unless such act/omission rises to an act of negligence or breach of contractual duty on the Agent's part. This indemnification provision shall not be limited to claims, expenses, or liabilities for which one of the parties is solely liable, but shall also apply to claims, expenses, and liabilities for which Agent and the Association are jointly and concurrently liable. If the insurance company finds that the Agent or its employees acted negligently or breached this Agreement, the Association shall be exempt from bearing the Agent's costs.

### 5.7 DELIVERY OF NOTICES

Notices or other communications between the Agent and Association to this Agreement may be mailed by United States registered or certified mail, return receipt requested, postage prepaid, and may be deposited in a United States Post Office or a depository regularly maintained by the post office. Such notices may also be delivered by hand or by any other receipted method or means permitted by law. For purposes of this Agreement, notices shall be deemed to have been "given" or "delivered" upon personal delivery thereof or forty-eight (48) hours after having been deposited in the United States mails as provided herein.



## 6.0 Contract Length and Cancellation Procedures

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### 6.1 INITIAL TERM OF SERVICE

Board Initial

Upon execution of this Agreement, the Association hereby agrees to a term of service of twelve (12) months ("Initial Term"). This Agreement is binding upon the Association, irrespective of any changes to its board composition during the Initial Term. Therefore, any board alterations occurring during the contract duration will not affect the Association's obligations under this Agreement.

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### 6.2 CONTRACT RENEWAL

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This Agreement shall **automatically renew under the same terms and conditions**, unless expressly terminated by the Association. Automatic renewal of this Agreement is contingent upon the Association's board maintaining its current plan and MGM not instituting significant alterations to the terms of service. Consequently, should neither of the aforementioned conditions arise, there shall be no requirement for the execution of a new agreement upon renewal.

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### 6.3 CANCELLATION POLICY

Board Initial

This Agreement is enforceable for the entirety of the Initial Term. Should the Association wish to terminate this Agreement prior to the commencement of a renewal term, it must provide MGM with written notice of its intention to cancel no later than ninety (90) days prior to the expiration of the Initial Term. Upon renewal, the Association retains the right to terminate this Agreement at any time, provided that a ninety (90) day written notice is furnished to MGM.

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### 6.4 PAYMENT UPON CANCELLATION

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Upon receipt of a cancellation notice from the Association, MGM shall immediately issue an invoice for any outstanding balances or debts incurred by the Association up to the date of cancellation. Furthermore, MGM shall also charge the Association for the services scheduled to be rendered during the remaining ninety (90) day notice period. This ensures that MGM recovers all due payments for services contracted until the effective date of termination.

## 7.0 Pricing and Signatures

### 7.1 AUTHORITY OF THE AGREEMENT

The Board of Directors (“Board”) of (\_\_\_\_\_) (the “Association”), on behalf of the property managed by the Association (the “Property”), hereby appoints MGM Management (“Agent”) to manage the Property, and Agent accepts appointment to manage the Property (the “Agreement”).

### 7.2 EXECUTION AND BINDING EFFECT

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this Agreement on the dates set forth below. The signatures of both parties, affixed to this document, render this Agreement, along with any attachments, exhibits, schedules, and addendums referenced herein, fully binding and enforceable. This Agreement takes effect immediately upon the date of the last signature affixed hereto and incorporates by reference all aforementioned documents as if fully set forth herein. Each party warrants and represents that the individuals executing this Agreement on their behalf are duly authorized to do so, thereby obligating their respective parties to the terms and conditions contained within this Agreement and all referenced documents.

### 7.3 MANAGEMENT FEE ADJUSTMENT POLICY

MGM hereby reserves the right to adjust management fees to reflect changes in economic conditions, including but not limited to inflation and increased wages, the complexity and time commitment required for effective management of the Association, and the evolving regulatory landscape which may impose additional operational requirements. Should there be a need to modify our rates, MGM commits to notifying the Association at least 90 days prior to the renewal date of the contract. In the absence of such notice, fees will remain unchanged for the upcoming term.

In the event of a proposed rate increase, the Association is entitled to engage in discussions with MGM to express any concerns or reasons against the adjustment. Should these discussions not result in a mutually agreed upon rate, either party retains the right to terminate the contract at the end of its current term, or after the 90-day notice period, thereby ensuring both parties maintain fair negotiation leverage within the bounds of the agreement.

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## 7.4 Base Pricing

Agent will charge a monthly fee of \$\_\_\_\_\_ per/home/unit payable on the first day of the month.

Current Volume of Homes: \_\_\_\_\_

Total Anticipated Volume of Homes: \_\_\_\_\_

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## 7.5 Additional Services Pricing

The association elects the following services at the following rates:

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## 7.6 PAYMENT OF VARIABLE SERVICE FEES

Beyond the Base Monthly Rate and charges for any Additional Add-On Services, the Association hereby agrees to compensate for variable service fees, as delineated in the “Section 9: Volume-Based Fee Schedule Addendum” incorporated by reference into this Agreement. The variable fees cover a range of services, including but not limited to, mailing letters, filing liens, dispatching certified letters, among others. The Association acknowledges that the costs for these services may fluctuate and agrees to pay such fees in accordance with the rates specified in the “MGM Fee Schedule Addendum.” This addendum forms an integral part of this Agreement, and the Association’s obligation to pay these variable service fees is essential to the contractual relationship established herein.

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## 7.7 Final Estimated Fees:

<b>Anticipated Start Date</b>	
<b>Initial On-Boarding Fees</b>	\$
<b>Estimated Base Fee</b>	\$
<b>Estimated Additional Services Fees</b> <i>(Listed in Section 8.0 Additional, Add-On Services Addendum)</i>	\$
<b>Total Monthly Fees</b> <i>(Excluding Volume-Based Pricing Sheet Addendum)</i>	\$

## 7.8 Additional Notes or Considerations:

## 7.9 Signatures

MGM Representative Name	
MGM Title	
MGM Signature	
Date Signed	

Association Representative	
Title	
Signature	
Date Signed	

## 8.0 Additional, Add-On Services Addendum

The following services are not included in the Financials-Only Plan; however, they can be added on. An MGM representative will provide a specific quote for each service.

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### 8.1 Tax Related Services:

Board Initial

MGM collaborates with 3rd party professionals to prepare the taxes for filing. While MGM's tax services, as listed, are included in MGM's pricing, the actual tax filing will incur a separate fee from the vendor.

At the time of this contract, we recommend utilizing our preferred vendor, Robbins and Armstrong LLP; however, this recommendation is subject to change. Alternatively, we are open to working with an Association's preferred accountant as well.

**A. Tax Process Coordination:**

- a. MGM takes the lead in coordinating the tax process with the Board, starting in November and continuing through March. This ensures timely and accurate tax filings.

**B. Documentation Preparation:**

- a. MGM assists in preparing the necessary documentation for tax purposes, offering convenience and expertise.

**C. Tax Filing:**

- a. Once the taxes are prepared by a professional, MGM will do the filing and report to the Board once completed.

**D. Record Keeping:**

- a. Once taxes are submitted, MGM stores the tax returns and makes them available at any time for your convenience.

**E. Issuing 1099s Coordination:**

- a. MGM coordinates with vendors to issue 1099s to the Association's vendors. This process typically occurs during December and January. Please refer to the fee schedule for pricing.

### 8.2 HOA Annual Meetings Preparation & Attendance

Annual meetings are a vital platform for homeowners and the Board to address critical issues, make informed decisions, and maintain transparency within the HOA community. MGM helps associations with:

**a. Meeting Coordination:**

- a. MGM collaborates with the Board to schedule the annual meeting, ensuring compliance with all pertinent dates and deadlines, both for the meeting itself and associated notifications.

**b. Notification Compliance:**

- a. MGM works closely with the Board to send out the required notifications to homeowners, guaranteeing that all relevant information reaches the residents.

**c. Agenda Preparation:**

- a. MGM assists the Board in preparing the meeting agenda, ensuring that it is comprehensive and effectively addresses key topics.

**d. Reservation Assistance:**

- a. We can also help arrange any necessary reservations for the meeting venue or other requirements.

**e. Meeting Attendance or Facilitate the Meeting (Optional Add-On):**

- a. Upon request, MGM can attend and facilitate your annual meeting, providing expert guidance and management.

### 8.3 Board Meeting Attendance:

Sometimes Boards want MGM to attend their Board Meeting(s) to have dedicated consulting time regarding deeper-financial questions. This time can also be used for consulting the Board on non-financial related issues.

## 8.4 CC&R and Compliance Management

The following are additional services and responsibilities MGM will follow to help keep associations complaint:

### **A. Knowledge of Local State Laws and Statutes**

- a. In addition to CC&R knowledge, MGM is well-versed in local and state laws and statutes that may impact the Association's governance. This comprehensive awareness ensures that compliance measures align with legal requirements.

### **B. Mobile App for Boards to Self-Submit Compliance Violations**

- a. In addition to drive-thrus, MGM provides a mobile app to Board Members, enabling them to self-submit compliance violations easily throughout the month. This process ensures swift reporting and tracking of violations, enhancing efficiency.

### **C. On-Premise Drive-Thrus (Optional-Add On)**

- a. As part of our comprehensive services, MGM conducts on-premise drive-thrus. To maintain fairness, MGM performs checks on random days that do not conflict with the Association's trash days (to avoid false reports for trash cans left in the street). For safety reasons, staff members remain in the car during inspections and do not allow Board Members in the car. As part of the process, MGM also reviews common areas for compliance issues and orderliness.

### **D. Violation Reporting & Documentation**

- a. MGM maintains comprehensive documentation of all reported violations. This includes photographs and relevant details, ensuring a thorough and well-documented record of compliance issues for reference and enforcement purposes.

### **E. Enforcement Procedures and Best Practices**

- a. While the Board is ultimately in control of the violation and enforcement procedures, MGM will counsel with the Board regarding established enforcement procedures and industry best practices to address CC&R violations effectively and fairly. Our approach aims to maintain community standards while respecting homeowners' rights.

### **F. Disputes, Resolutions, and Mediation**

- a. Many homeowners are likely to dispute violations. MGM assists in handling disputes related to CC&R compliance by facilitating resolutions and mediation when necessary. Our goal is to achieve amicable solutions, maintain a harmonious living environment, and alleviate Board Members from stressful and contentious situations.

### **G. Compliance Hearings and Legal Remedies (Additional Add-On – See Fee Schedule)**

- a. In the event that compliance issues persist, MGM coordinates and supports compliance hearings, if required. We also assist the Board in exploring legal remedies as a last resort, ensuring adherence to CC&R regulations within the Association.

## 8.5 Clubhouse Management

Managing a clubhouse can be time-consuming and burdensome for volunteer board members. MGM reduces the time and complexity of clubhouse management with the following services:

- A. Contract Vendor Services:
  - a. Under the board's direction, bidding and contracting vendors or service providers for clubhouse maintenance, cleaning, and repairs. See Vendor Management for more information.
- B. Regular Maintenance Tasks
  - a. Scheduling and overseeing routine maintenance tasks for the clubhouse, including cleaning, landscaping, HVAC system checks, and equipment inspections.
- C. Communication and Reporting
  - a. Maintaining open communication with homeowners and the board regarding clubhouse maintenance schedules, updates, and any issues that may arise.
- D. Budgeting and Cost Management
  - a. Assisting the Board to help developing and manage budgets for clubhouse maintenance expenses, including vendor contracts, supplies, and utility costs.
- E. Reservations Management
  - a. Implementing a reservation system for clubhouse use, including scheduling, and managing bookings. MGM does not perform post-event, on-site inspections.
- F. Key Management
  - a. Overseeing the management of clubhouse keys or access codes, ensuring they are distributed appropriately to authorized individuals while maintaining security and accountability.



## 8.6 Pool Management

Homeowners expect a smooth and uninterrupted pool season, which necessitates thorough preparation, coordination, and oversight. MGM supports boards by providing comprehensive pool management services, including:

**a. General Pool Services:**

- i. Contract Vendor Services
  - a. Identify and contract reputable pool maintenance vendors or contractors for routine cleaning, chemical treatments, and equipment repairs as needed. See Vendor Management for more details.
- ii. Regular Maintenance Tasks
  - a. MGM works with 3<sup>rd</sup> party vendors to schedule and oversee routine pool maintenance tasks, including vacuuming, skimming, backwashing filters, and maintaining proper chemical balances.
- iii. Communication and Reporting
  - a. Maintain open communication with homeowners and the board regarding pool maintenance schedules, updates, and any issues that may arise.
- iv. Budgeting and Cost Management
  - a. Assist the Board to develop and manage budgets for pool maintenance expenses, including vendor contracts, equipment repairs, and water treatment supplies.
- v. Pool Key Management
  - a. Oversee the management of pool keys, ensuring they are distributed appropriately to authorized individuals while maintaining security and accountability.
  - a. Coordinate with vendors to properly close and winterize pool(s), including: draining, cleaning, and protect pool facilities from winter weather damage by covering and securing them appropriately.
  - b. Coordinate with Board about existing Pool Vendor and confirm if they will renew or want to bid out new services with other vendors.

## 8.7 Private Irrigation Management

MGM's private irrigation management ensures efficient and reliable operation of irrigation systems, crucial for maintaining landscape health. Services include:

### A. General Services

- a. Contract Vendor Services
  - i. Identify and contract reputable irrigation maintenance vendors or contractors for regular inspections, repairs, and seasonal adjustments.
- b. Regular Maintenance Tasks
  - i. Schedule and oversee routine irrigation maintenance tasks, including system inspections, valve checks, and irrigation head adjustments.
- c. Communication and Reporting
  - i. Maintain open communication with homeowners and the board regarding irrigation maintenance schedules, updates, and any issues that may arise.
- d. Budgeting and Cost Management
  - i. Develop and manage budgets for irrigation maintenance expenses, including vendor contracts, equipment repairs, and water usage costs.
- e. Private Irrigation Key Management
  - i. Oversee the management of private irrigation system keys or access codes, ensuring they are distributed appropriately to authorized individuals while maintaining security and accountability.

## 8.8 Pond or Water Feature Management

Pond or water feature management can require specialized attention to maintain aesthetics and functionality. MGM services include:

### **A. Contract Vendor Services**

- a. Coordinate with Board to identify and contract vendors or contractors for regular inspections, repairs, and seasonal adjustments.

### **B. Coordinate 3<sup>rd</sup> Party Vendor Services**

- a. MGM will coordinate with the Association's Vendor(s) to oversee:
  - i. Routine Maintenance
  - ii. Repairs
  - iii. Water Quality Testing
  - iv. Algae Control
  - v. Equipment Inspections
  - vi. Winterization

### **C. Communication and Reporting**

- a. Maintain open communication with homeowners and the board regarding water feature issues and repairs status. schedules, updates, and any issues that may arise.

### **D. Budgeting and Cost Management**

- a. Coordinate with the Board to develop and manage budgets for irrigation maintenance expenses, including vendor contracts, equipment repairs, and water usage costs.

Board Initial

## 9.0 Volume-Based Pricing Sheet Addendum

By initialing, the Board acknowledges that the fees outlined in the pricing sheet, as presently constituted, are separate from the base management fee and are contingent upon the volume of usage. The Board further acknowledges that these prices are subject to modification. Typically, the Board will receive notification of pricing alterations concurrent with their annual renewal reminder.

### 9.1 Physical Mail

Regular physical mail is typically utilized several times a year to inform homeowners about annual meeting notifications, deliver the budget, and provide updates on other significant topics throughout the year.

Regular, Single Page Outbound Mail	\$1.25/ea +USPS Postage Costs
Additional B&W Pages	\$0.25/ea
Additional Color Pages	\$1.30/ea.
Return Stuffed Envelopes	\$0.37

### Certified Mail

Certified mail is primarily used for delinquent or non-compliant homeowners, ensuring they have been properly notified before any further penalties or fines are imposed. In most cases, the HOA will typically pay for the fees upfront, but the homeowner is responsible for paying the HOA back.

Certified Mail (including all papers)	\$45.00
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## 9.2 Specialized Services

The following are services that are primarily a result of homeowners that require additional services due to not following the CC&R's or paying on-time. As a result, the HOA will typically pay for the fees upfront, but the homeowner is responsible for paying the HOA back.

### Lien Related Services

Filing for a lien involves the formal process of submitting the necessary legal paperwork to a government office or court to claim a right to property as security for a debt. Requesting a lien, on the other hand, typically refers to the initial step of expressing the intention to secure a debt by notifying the debtor or preparing the documentation needed before officially filing a lien with the appropriate authorities.

Request for a Lien	\$50/ea
File a Lien	\$200.00/ea

### Additional Labor or Consulting

Occasionally, associations may need additional hourly services for temporary assistance with tasks that fall outside the scope of MGM's contracted services.

Consulting With MGM Management	\$100/hr
Attendance to Director Meetings or Special Association Meetings	\$100/hr
Clerical Assistance During Meetings (i.e. taking meeting minutes)	\$75/hr
Unscheduled Clerical Work	\$75/hr

### Tax Related Services

These are fees that are either charged by MGM or a 3<sup>rd</sup> party vendor selected by the board.

Tax Preparation (by CPA Service)	\$: Market Rate (Historically \$200)
Issue the 1099s	\$: Market Rate (Historically (\$150-\$300) <i>(Depending on volume of vendors)</i>

## 9.3 Moving-Related Fees Homeowners Pay For Directly

### Transfer & Estoppel Fees (Condocerts)

HOAs often charge a transfer fee; however, MGM does not currently impose this charge on the HOA or homeowners. MGM does, however, charge an estoppel fee, **a cost typically covered by the Title company and reimbursed by the homeowner during the closing process.**

An estoppel fee is levied by management companies for the preparation of an estoppel certificate, which verifies the property's current status, including any dues or assessments owed. This certificate is crucial during the sale or refinancing of a property, providing clear, reliable financial and compliance status information. The fee accounts for the effort and due diligence in accurately reviewing the property's records. The fee also accounts for the liability and risk MGM holds as the producer of the estoppel fee.

Transfer Fees	\$0.00
Estoppel Fees	\$235