

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, thorough, 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 for violations, ensuring adherence to established protocols while promoting community compliance.

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.

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

A. 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.

B. 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.

C. 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:

D. Copies of Paid Invoices:

- a. Providing clear documentation of all paid invoices.

E. Line-Item Accounting:

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

F. Copies of Bank Statements:

- a. Ensuring complete visibility into financial transactions.

G. 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 any non-pre approved, unexpected expenditures, MGM will seek Board approval before taking any action.

H. 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:
 1. MGM will cover any late fees or fines incurred by the Association as a result of the billing error.
 - ii. Rectification of Billing Error:
 1. MGM will promptly correct the error and ensure that the affected bills are paid in full.
 - iii. Communication with the Board:
 1. 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 CC&R Compliance & Enforcement Services

Community Covenants, Conditions, and Restrictions (CC&R) are essential guidelines that uphold the well-being and cohesiveness of every community. To fulfill the CC&R's overarching purpose, both MGM and the Board have distinct responsibilities and duties. These roles are vital to maintain community standards and ensure a harmonious living environment for all residents.

2.1 Overview of MGM's Roles and Responsibilities:

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

A. CC&R Knowledge & Education

- a. MGM is committed to maintaining a deep understanding of the Community Covenants, Conditions, and Restrictions (CC&R) applicable to the Association. Regular education and updates ensure accurate enforcement and adherence to these essential guidelines.

B. 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.

C. Compliance Monitoring of "Problem Homes"

- a. At the Board's direction, MGM can actively monitor a Board's preferred list of properties with a history of compliance issues. During inspections, MGM makes sure staff members are aware of "problem homes" and spend a little extra time checking for violations or improvements. This proactive approach ensures timely enforcement and resolution of violations, promoting community standards.

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

- 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.

2.2 Compliance Drive-Through's and Self-Reporting Process

Utilizing both proactive drive-throughs by MGM and self-reporting methods by either the board or homeowners can significantly contribute to maintaining community compliance with the CC&Rs.

A. MGM's On-Premise Drive-Through Inspections

- a. As part of our comprehensive services, MGM conducts on-premise drive-throughs once a month from April-Sept (6 total). Additional drive-throughs may be added for an additional cost.
- b. To maintain fairness, we do not notify the board on which day MGM will perform the drive through. However, we ensure the random days do not conflict with the Association's trash days (to avoid false reports for trash cans left in the street).
- c. For safety reasons, staff members remain in the car during inspections and do not allow Board Members in the car.
- d. As part of the process, MGM also reviews common areas for compliance issues, orderliness, and any obvious landscaping issues.

B. Self-Reporting by Homeowners

- b. Homeowners can email MGM or use an online form to submit issues. Unlike board members, homeowners must include a photo when self-reporting violations to MGM.
- c. All submissions from homeowners will be forwarded to the board, who will decide whether to proceed with sending a violation letter through MGM – unless the board may have a pre-approval process for certain violation reports with accompanying photos.
- d. Upon submission, MGM will confirm receipt to the homeowner and provide information on the association's process. It's important to note that homeowners will not be informed of the outcome, as privacy is maintained between the board and the homeowner.

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2.3 Enforcement Procedures:

Successful compliance enforcement will always involve the Board, including the following:

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a. Board Has Ultimate Discretion on CC&R Enforcement:

- a. The Association's Board of directors retains the ultimate discretion in deciding which CC&R provisions to enforce.

b. Board Can Choose Enforcement Procedures:

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- a. To aid Board Members in their enforcement decisions, MGM provides flexible procedures that can be tailored to the Board and Association's specific needs:

- i. Auto-Violations:

- a. In this approach, violation letters are automatically generated and sent to homeowners when certain CC&R violations are identified. This streamlines the enforcement process and ensures prompt notification.

- ii. Manual Verification:

- a. Under this method, no violation letters are sent to homeowners until the Board explicitly chooses to send them. This allows the Board to review and confirm violations before initiating communication with homeowners.

- iii. Hybrid Model:

- a. This model offers a blend of automation and manual oversight. The Board has the option to auto-send violation letters for specific types of violations, such as unkept lawns, while retaining manual approval for other violation categories of their choosing. This flexibility allows the Board to adapt enforcement procedures as needed to maintain community standards.

c. Notifying Homeowners of Violations:

- a. MGM will contact homeowners regarding initial CC&R violations through all possible channels, including physical mail, email, and by posting the violations on the portal.
- b. If homeowners receive enough violations to warrant a compliance hearing and/or legal proceedings, MGM will send a certified letter to ensure they have received the message.

2.4 Disputes, Resolutions, and Compliance Hearings:

MGM will handle all initial CC&R violation disputes. In general, MGM will use the following processes:

A. Disputes Not Involving the Board

The following situations usually does not require Board intervention, saving them valuable time and streamlining the resolution process.

1. Dispute: Contesting the Violation:
 - a. When a homeowner contests a violation, MGM will provide further clarification on the rule in question and present any evidence supporting the violation. This helps homeowners understand the reasoning behind the violation notice and ensures transparency in the enforcement process.
2. Resolution Claim: Issue Already Resolved:
 - a. If a homeowner claims to have already resolved the issue, MGM will acknowledge the update and educate the homeowner on the importance of maintaining compliance for future inspections. This proactive approach fosters understanding and encourages ongoing adherence to community regulations.
3. Property Dispute: Violation Not Their Property:
 - a. Should a homeowner dispute that the violation pertains to their property, MGM will thoroughly investigate the claim. If it is determined that MGM made an error, the homeowner's record will be updated accordingly. This commitment to accuracy and fairness ensures that homeowners are treated justly and that their property rights are respected.

B. Disputes Involving the Board

In certain circumstances, the board's involvement is necessary to address significant policy disputes, oversee appeals processes, and handle complex legal matters within the community.

1. Significant Policy Disputes:
 - a. If a dispute involves a significant policy decision or potential changes to community rules and regulations, the board would likely need to be involved in the resolution process.
2. Appeals Process:
 - a. When homeowners appeal a violation, the board would typically oversee the appeal process and make the final decision.
3. Compliance Hearings
 - a. In cases of repeated violations by homeowners, the board may hold compliance hearings to address the issues. These hearings involve a sit-down meeting with the board to discuss the violations and determine appropriate next steps to ensure compliance with community regulations.
4. Legal Matters
 - a. In cases where disputes escalate to legal proceedings or involve complex legal issues, the board would be directly involved in making decisions and coordinating legal representation for the association.

2.5 Continued Collaboration & Adaptation

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If the Board is not satisfied with compliance levels, it is encouraged to continue working closely with MGM to address issues. MGM can consult with the Board on different practices or procedures (within the limits of the CC&Rs and local statutes) to improve compliance rates. However, it's important to acknowledge that achieving compliance ultimately depends on homeowners' cooperation and adherence to CC&R regulations. While MGM provides guidance and support, the final responsibility for compliance lies with the homeowners themselves.

3.0 Architectural Project Review (ACC) Services

Ensuring architectural cohesion and adherence to community standards, the Architectural Control Committee (ACC) process oversees the review and approval of architectural projects within the Association. Just as with CC&R compliance and enforcement, both MGM and the Board bear unique responsibilities and obligations regarding the ACC process. These responsibilities are fundamental in facilitating the review and approval of architectural projects, safeguarding the architectural harmony of our community, and fostering a welcoming and visually appealing environment for all residents.

3.1 Overview of MGM's Responsibilities:

MGM assists the Board by taking the lead in the following services:

- A. Homeowner Guidance and Support:**
 - a. MGM shall provide guidance and support to the Architectural Control Committee (ACC) throughout the architectural project review process.
- B. Compliance Screening:**
 - a. MGM initially screens ACC requests to ensure compliance with CC&Rs before passing them to the board, thereby saving the board valuable time and streamlining the approval process.
- C. Communication Facilitator:**
 - a. MGM serves as the intermediary between the Board and homeowners, facilitating clear and efficient communication regarding ACC matters.
 - b. Some Associations have a dedicated committee responsible for managing ACC requests. The board will designate the point of contact for communication with MGM regarding submissions.
- D. Record-Keeping:**
 - a. MGM will maintain accurate records of all ACC decisions, including approvals, rejections, and modifications, ensuring transparency and accountability.

3.2 MGM's ACC Process & Services:

MGM assists the Board by taking the lead in the following services:

A. Provide Easy Ways for Homeowners To Submit ACC Requests

- a. MGM Provides ACC Template or Association May Use Their Own
 - a. MGM offers standardized templates for ACC requests, or the association may opt to utilize their own format.
 - b. Serves as First Contact to Submit Request
 - a. Homeowners can directly contact MGM to initiate the submission process for ACC requests.
 - c. Provide Multiple Methods of Submission
 - a. Homeowners have the flexibility to submit ACC requests through various channels, including email, online portals, or in-person submissions.
 - d. Provide Timely Feedback and Instructions to Homeowner
 - a. MGM ensures prompt responses and clear instructions are provided to homeowners regarding the status and requirements of their ACC requests.

B. Pre-Screen the Application Before Sending to Board

- a. MGM initially screens ACC requests to ensure compliance with CC&Rs before passing them to the board, thereby saving the board valuable time and streamlining the approval process.
 - a. If MGM believes the homeowner's request is compliant, they will pass the request to the Board.
 - b. If the requests appear not to be compliant, or are missing information, MGM will communicate with the homeowner without involving the Board.

C. Answer Board Questions & Send Deadline Reminders

- a. Typically, CC&Rs establish a deadline for the board's response; failure to meet this deadline allows homeowners to proceed with their projects, potentially breaching regulations. Consequently, MGM assumes a critical role in addressing board inquiries and issuing deadline reminders, guaranteeing prompt responses aligned with CC&R requirements to avert inadvertent breaches of community regulations by homeowners.

D. Serve as Liaison for Board's Decision

- a. MGM serves as the liaison between the board's decisions and homeowners, taking the time and stress away from direct communication with homeowners. This service streamlines the process for conveying decisions, ensuring effective communication, and fostering transparency within the community.

3.3 ACC Disputes, Resolutions, and Mediation

Some homeowners are likely to dispute submissions that have been rejected or completely bypass the approval process all together. MGM assists in handling 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.

A. ACC Appeal Process

- a. Most associations offer an appeal process for homeowners to present their case regarding their ACC request, with MGM facilitating the appeal process.

B. Board Demands Homeowner Stop Project

- a. In instances where a homeowner disregards a denial or fails to submit a request, there are occasions when the Board may need to instruct the homeowner to halt their project. There are typically two options that MGM can help facilitate:

i. MGM Notifies the Homeowner

1. For minor projects not warranting an immediate cessation, the Board may request MGM to send an email and letter informing the homeowner of the project's disapproval, urging them to cease work; failure to comply may result in fines and/or legal action.

ii. Association Hires an Attorney to Send a Formal Cease and Assist

1. In cases where informal communication proves ineffective or the project is of such magnitude that an immediate halt is necessary to prevent damage or significant costs to the homeowner, the association may opt to engage legal counsel to issue a formal cease and desist notice. MGM plays a crucial role in this process by assisting in the selection of a lawyer and serving as the liaison between the board and the legal services, ensuring effective communication and efficient handling of the legal proceedings.

C. Homeowner Threatens to Sue Association

a. MGM's Initial Consultation

- i. In instances where a homeowner threatens legal action against the association, MGM offers valuable consultation services to the board. This includes advising on whether the board should reconsider its decision to mitigate potential legal costs or uphold its stance despite potential upfront legal expenses. By providing insights into the potential risks and benefits associated with each course of action, MGM aids the board in making informed decisions that best serve the interests of the community.

b. Proceeding With Legal Services

- i. If the Board proceeds with their decision, and it results in litigation from a homeowner, MGM will facilitate communication between the board and legal counsel, ensuring that any legal proceedings are handled effectively and efficiently.

3.4 Board Responsibilities

While MGM facilitates the ACC process, the board shoulders the responsibility of ensuring that it remains an accessible, transparent process that homeowners can appreciate and trust.

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A. Ultimate Decision Maker

a. The board, or designated ACC committee member(s), retain ultimate authority over acceptance or denial decisions, as well as overseeing the appeal process.

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B. Board Required to Make Timely Decisions

a. Slow response times from the board can lead to frustration among homeowners, particularly when their projects are ready to proceed with vendors pending approval. While MGM aims to relay decisions on pre-screened forms within 48 hours, it's equally crucial for board or committee members to provide prompt responses to maintain efficiency and homeowner satisfaction. In the extreme case a board does not respond to an ACC request, MGM bears no responsibility in the outcome.

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C. Board Must Notify MGM of ACC Violations

a. MGM is not tasked with conducting inspections on homeowner projects, even during routine CC&R inspections. The responsibility falls on the Board to promptly report to MGM any instances of homeowners violating decisions, initiating projects without submitting applications, or deviating from approved plans, thus resulting in violations.

4.0 Vendor Management Services

Without a management company, coordinating with 3rd party vendors can be a time-consuming chore for volunteer Board Members. MGM strives to make vendor services an easy, transparent process for Board Members and homeowners.

4.1 MGM Vendor Management Responsibilities:

MGM will provide the following services:

A. Maintain Records and Contracts of Existing Vendors:

- a. MGM takes responsibility for maintaining accurate records and contracts of existing vendors, ensuring that all agreements are up-to-date and readily accessible.

B. Seek New Bids:

- a. When necessary, MGM manages the process of seeking new bids for vendor services. This includes vetting potential vendors, obtaining multiple quotes, offering our recommendations, and finalizing contracts with selected vendors.

C. Liaison to Ensure Vendor Quality:

- a. MGM serves as a liaison between the Board and vendors to ensure the quality of services provided. This includes addressing Board complaints and homeowner complaints related to vendor performance. Once complaints are relayed to vendors, MGM will provide follow-up with vendors, Board Members, and/or homeowners until the issue is resolved or the vendor refuses additional services.

D. Pay Vendors:

- a. MGM handles the payment of vendors for their services, including regular bills. For any new or unexpected expenditures, MGM seeks authorization from the Board before making payments.

E. On-Site Visits for Vendor-Related Issues:

- a. MGM typically does not perform on-site visits for vendor relations unless mutually agreed upon and billed additionally per the payment schedule.

4.2 Board’s Responsibilities and Understandings Related to Vendor Management:

While MGM takes on a large majority of the work related to vendor management, it’s important they acknowledge the following:

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A. MGM is not responsible for the services rendered by the vendor:

- a. The Board should understand that MGM's role is to facilitate vendor management and liaison services. MGM is not responsible for the quality or outcomes of the services provided by the vendors. If MGM mediation does produce the expected outcomes, MGM will recommend seeking a new vendor.

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B. Board Determines Authorization Spending Limit for Unexpected Expenses:

- a. To expedite services, the Board can authorize MGM to auto-approve certain unexpected vendor expenses within a certain financial limit (i.e. auto-approval to pay for sprinkler-head repairs within a \$300 budget). In addition, the Board acknowledges that in rare, extreme cases, MGM will authorize vendor expenses in the times of emergencies (i.e a water-main broke and needs repair before more flooding occurs).

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C. Authorization Disagreements:

- a. In the event that a Board member gives authorization for vendor services, and later, other Board Members disagree with the decision, it is not MGM's fault if there are charges or services already incurred. The Board should strive for clear and consistent communication regarding authorization.

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D. Verification of Vendor Work:

- a. The Board needs to take the lead in verifying the work of a vendor and reporting any issues or concerns to MGM promptly. Effective communication between the Board and MGM is essential to ensure vendor services align with the Association's expectations and standards.

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E. Maintaining Realistic Expectations

- a. On occasion, some Boards have unrealistic expectations regarding the services and quality they expect from vendors. This often causes vendors to quit their services due to burnout of constant dissatisfaction when the complaints are not fully warranted. When this occurs, MGM will consult with the Board to help re-align expectations. If realignment is not successful, MGM reserves the right to not collect more bids.

5.0 Annual and Board Meeting Related Services

MGM helps to make your meetings smooth and efficient via the following services:

5.1 Annual Meetings Services

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. Additional Services (Subject to Fee):

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

5.2 Board Meeting Services:

Regular Board meetings, whether held monthly or quarterly, are essential for effective governance, decision-making, and ensuring the smooth operation of the HOA. MGM makes Board meetings more effective by providing:

A. Monthly Board Packet:

- a. MGM prepares a comprehensive monthly Board packet along with a cover letter summary, ensuring that the Board has all necessary information for their meetings. Packet content includes data and recommendations related to budget/finances, compliance, delinquencies, on-going tasks, and more.

B. Notification Posted to Online Portal:

- a. MGM posts meeting notifications to the online portal to help associations stay compliant with association and state rules and regulations.

C. Quarterly Pre-Board Meeting Sync:

- a. We conduct a quarterly, 15-minute synchronization session with the Board via Zoom to discuss key issues and prepare for upcoming meetings.

D. Additional Services (Subject to Fee):

- a. For boards seeking more in-person support, MGM can attend and actively participate in the entire Board meeting, offering our expertise and assistance throughout. See fee chart for additional costs.

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6.0 Maintaining Records

Effective records and maintenance services are crucial for the HOA's transparency and operational efficiency. These services include:

A. Meeting Minutes History:

- a. We maintain a comprehensive history of meeting minutes, preserving a detailed account of important discussions and decisions. These minutes are posted to the online portal, ensuring transparency for both Board Members and homeowners, allowing them to access the decisions made by the Board and the thoughts behind those decisions. It's important to note that, by default, MGM does not take meeting minutes, even when we attend the meeting.

B. Homeowner and Board Emails and Text Message History:

- a. MGM securely archives homeowner and Board emails and text message communications, ensuring that vital conversations are documented.

C. Contracts with Vendors and 3rd Parties:

- a. We maintain contracts with vendors and third parties, facilitating efficient management and retrieval of important agreements.

D. Sec. Of State Maintenance:

- a. To maintain active status, MGM oversees Secretary of State maintenance, ensuring compliance with regulatory requirements.

E. Physical Records (Subject to Additional Fee):

- a. MGM can manage physical records, ensuring they are organized and easily accessible for reference.

7.0 Coordinating Additional 3rd Party Services

MGM facilitates coordination with recommended 3rd party vendors for various services. While these services are not provided directly by MGM, we do recommend our preferred vendor for their cost savings and reliability. MGM's role is to coordinate with 3rd party vendors to make their work cost-effective.

7.1 Tax Related Services:

MGM collaborates with 3rd party professionals to prepare the taxes for filing. While MGM's tax services, as listed, are included, 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.

7.2 Insurance-Related Services

Proper insurance is vital to protect an Association and its Board. MGM streamlines the process, making it straightforward and manageable, ensuring the protection and peace of mind of all stakeholders.

- A. Record Maintenance:
 - a. MGM maintains records of existing insurance coverage, ensuring that essential documentation is readily available when needed.
- B. Coverage Recommendations:
 - a. We proactively recommend any additional coverages that may be beneficial to the Association, helping to safeguard its interests comprehensively.
- C. Contract Oversight:
 - a. MGM takes responsibility for ensuring that the insurance contract remains current and renews as expected, offering peace of mind to the Board and homeowners.
 - b. Board Retains Ultimate Responsibility Acknowledgement Clause:**
 - i. The Board acknowledges and affirms that it retains the ultimate authority and responsibility for selecting insurance policies, with MGM providing professional recommendations. In the event that an occurrence remains uncovered by insurance due to a decision made by the Board, MGM shall not be held liable or accountable for such circumstances.
- D. Policy Bidding:
 - a. For optimal coverage and rates, MGM has the capability to bid out insurance policies, seeking the best possible terms and conditions for the Association's benefit.
- E. Submit and Manage Insurance Claims:
 - a. MGM takes a proactive approach in submitting and managing insurance claims on behalf of the Association. We serve as a dedicated liaison between the Association and the insurance company throughout the entire claims process. Our role is to ensure smooth coordination, keeping the Board informed and involved at every stage until the claim is satisfactorily resolved. We understand the importance of timely and efficient claim handling, aiming to minimize disruptions and alleviate the burden on the Board and homeowners.

Board Initial

7.3 Legal Services

Occasionally, associations and their boards may require professional legal services for various matters such as seeking legal advice or interpretations, initiating legal actions, responding to lawsuits, and more. It's important to note that MGM does not provide legal services directly. Instead, we provide the following services to facilitate seamless communication and coordination to address the Association's specific legal needs.

- A. Non-Legal Recommendations and Historical Examples:
 - a. While MGM does not provide legal counsel, we can offer valuable non-legal recommendations and historical examples to assist the Board in making informed decisions.
- B. Liaison with Legal Company:
 - a. In the event that legal action or specialized legal services become necessary, MGM serves as a dedicated liaison between the Association and the chosen legal company, streamlining communication and facilitating the process.
- C. Preferred or HOA-Choice Legal Service:
 - a. While MGM has a preferred legal service provider, we are flexible and can work seamlessly with the legal service chosen by the HOA, ensuring that your Association's specific legal needs are met efficiently and professionally.
- D. Board Acknowledgement
 - a. On occasion, when disputes arise, homeowners or Board Members may contemplate or threaten legal action against MGM, often stemming from disagreements over decisions related to CC&R violations or delinquencies. In such instances, when a Board member or homeowner expresses an intention or possibility of legal action, MGM will promptly suspend direct communication with the concerned individual(s) and engage our legal representation to manage and address the matter accordingly.

8.0 Communication Services 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:

8.1 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. **Report Issues:**
 - i. Quickly report any concerns or issues, ensuring prompt attention and resolution.
- c. **Retrieve Balance:**
 - i. Access up-to-date account balances at your convenience.
- d. **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. **Reports for Violations and Delinquencies:**
- a. Generate detailed reports on violations and delinquencies to effectively address compliance issues.

8.2 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. CC&R Violations
 - v. Previous Year's Budget

B. Dedicated HOA Email:

- a. All homeowners can email MGM via our generic help address, 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. Facilitate Email Blast Notifications:

- a. Blast notifications are a cost-effective means to broadcast events or important notifications. Boards can use MGM's online portal or request help from MGM; however, MGM does not provide content writing.

D. Posting Newsletters:

- a. MGM assists in posting newsletters to the online portal and/or arranging mailing distribution, although content creation is not included in our services.

E. 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.

F. Emergency Line

- a. MGM offers an emergency line specifically for irrigation emergencies. This line is monitored 24/7 and is inclusive of our standard services. However, continuous abuse of this service by an Association may result in its exclusion from the standard offerings.

G. General or Dedicated SMS Line:

- a. SMS is a widely used communication method among homeowners. All homeowners have access to the general MGM text help line. However, for enhanced service, associations can opt for a dedicated text line at an additional fee. This dedicated line expedites response times by automatically routing messages to the appropriate account manager.

8.3 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.

9.0 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.

Board Initial

9.1 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 respectfully 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).

9.2 Homeowner Conflicts

Board Initial

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

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.

B. Step 2: Complaint/Issue Categorization

- a. 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.

- i. Resolution Paths for Homeowner Complaints by Category :

1. Issues MGM Can Address Directly

- a. These are concerns directly related to the services provided by MGM, such as maintenance in communal areas.
- b. The board is informed of all such issues, and both the board and the homeowner are kept updated on progress towards resolution.
- c. Some issues may require board approval before action can be taken. Homeowners will be informed if their issue is pending board decision.
- d. For issues not requiring board approval, MGM will notify the board while simultaneously working towards a resolution.

2. Issues Beyond MGM's Scope

- a. These are complaints that MGM cannot address due to limitations in authority or scope, including:
 - i. Services outside MGM's purview or contracted services
 - ii. Disagreements with CC&Rs, bylaws, or local statutes.
 - iii. Board decisions previously made, decisions they will need to make, but have not, or issues where they have refused to decide.
- b. MGM's role in these instances is to respond promptly, informing the homeowner of MGM's limitations, and, where appropriate, educate them on the next steps.
- c. With the board's preference, certain complaints may be forwarded to the board for direct handling.

3. Personal Account Inquiries

- a. Concerns related to individual account details, such as balances or login issues, are prioritized for immediate resolution.
- b. 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.

10.0 Legal Definitions and Statements

By initialing, the Board understands, acknowledges, and agrees to all definitions and statements in section 9.0

Board Initial

10.1 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.

10.2 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.

10.3 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.

10.4 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.

10.5 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.

10.6 INDEMNIFICATION SURVIVES TERMINATION

10.6.1 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.

10.6.2 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.

10.7 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.

11.0 Contract Length and Cancellation Procedures

11.1 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.

11.2 CONTRACT RENEWAL

Board Initial

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.

11.3 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.

11.4 PAYMENT UPON CANCELLATION

Board Initial

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.

12.0 Pricing and Signatures

12.1 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”).

12.2 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.

12.3 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.

Board Initial

12.4 Base Pricing

Board Initial

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: _____

12.4 Additional Services Pricing

Board Initial

The association elects the following services at the following rates:

Opted In	Service	Monthly Pricing
	Pool Management	
	Clubhouse Management	
	Private Irrigation	
	Ponds/Water Feature Management	
	Other Elected Services	
	NO ADDITIONAL SERVICES ADDED	

If "Other Elected Services" are added, please describe:

Board Initial

12.5 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 “MGM 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.

Board Initial

12.6 Final Estimated Fees:

Anticipated Start Date	\$
Initial On-Boarding Fees	\$
Estimated Base Fee	\$
Estimated Additional Services Fees	\$
Total Monthly Fees	\$

12.7 Additional Notes or Considerations:

12.8 Signatures:

MGM Representative Name	
MGM Title	
MGM Signature	
Date Signed	

Association Representative	
Title	
Signature	
Date Signed	

Board Initial

13.0 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.

13.1 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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13.2 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

Compliance Enforcement Related Services

Additional Drive-Through Inspections	\$100
MGM Schedules/Virtually-Attends Compliance Hearing	\$50 per hearing attended or hearings that were not canceled within 24 hours.
MGM Schedules/Physically-Attends Compliance Hearing	\$100 per hearing attended or hearings that were not canceled within 24 hours.
Non-compliance processing to attorney	\$50/ea
Request for Judgment	\$50/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

13.3 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

14.0 Additional, Add-On Services

For an additional fee (see pricing sheet), MGM alleviates this burden by providing comprehensive management services, including:

14.1 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.

14.2 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 3rd 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.

b. Seasonal Pool Management Schedule:

i. Spring Preparation

- a. Coordinate with vendors to conduct thorough cleaning and inspection of pool facilities in preparation for the summer season.
- b. Coordinate any maintenance issues or repairs needed before the pool opens for the season.
- c. Communicate to homeowners the anticipated pool opening date Coordinate to test key & lock system prior to public opening

ii. Summer Maintenance

- a. Notify homeowners the pool is open.
- b. Notify homeowners when the pool is closed for maintenance or unexpected closures. Re-notify homeowners when the pool re-opens.
- c. Issue new pool keys or troubleshoot key problems
- d. Coordinate with vendors to maintain pool quality and cleanliness
- e. Notify homeowners when the pool is expected to close for the season

iii. Fall Closure and Winterizing

- a. Notify homeowners that the pool season is officially closed
- b. 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.
- c. Coordinate with Board about existing Pool Vendor and confirm if they will renew or want to bid out new services with other vendors.

14.3 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.

B. Seasonal Private Irrigation Management Schedule

a. Spring Preparation

- i. At the direction of the Board, MGM will coordinate with the Association's Vendor to conduct a comprehensive inspection of the irrigation system to identify any winter damage or leaks.
- ii. If applicable, coordinate with the Board to review and adjust irrigation schedules. Once finalized, MGM will notify Homeowners of the approved schedule.
- iii. MGM will notify homeowners of the projected date the irrigation will be turned on.
- iv. MGM will coordinate with the vendor to ensure the irrigation is on and trouble-free. Once on, MGM will update the Board and/or homeowners.

b. Summer Maintenance

- i. MGM will coordinate with the Board, Irrigation Committee, and/or 3rd party vendor to monitor irrigation system performance.
- ii. Work with 3rd party vendor(s) to repair leaks, clogs, or malfunctions promptly.
- iii. Coordinate with the Board to adjust irrigation schedules as needed. If schedules are changed, MGM will notify homeowners.
- iv. MGM will maintain a 24-Hour emergency phonenumber for irrigation emergencies, including main-line breaks, major flooding, etc.

c. Fall Adjustment and Winterization

- i. Coordinate with vendors to perform a final inspection of the irrigation system to:
- ii. Clean the pump house in preparation for winterization
- iii. Identify any necessary repairs or adjustments before winter.
- iv. Drain water from irrigation lines and winterize equipment to prevent freezing and damage during colder months.
- v. Prepare irrigation system for dormancy, including shutting off water supply and protecting exposed components from frost. Unless CC&R's specify the Association will provide winterization for homeowner properties, MGM does not manage residential winterization.

14.4 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 3rd 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.

14.5 Private Landscaping

For associations such as Condominiums or Townhomes that include landscaping services for individual lawns, MGM extends its traditional vendor management services to cover individual properties as well.