Rosebrook Homeowners Association, Inc.

Comprehensive community management solutions

Introduction Packet
Dear Board of Directors,

At RealManage, we focus on Customer Service and Standards of Excellence. We have a dedicated core group of employees who are experts in the industry and who will serve you well.

We have also created an advanced, cloud-based reporting platform that is available to all members 24/7, at [www.realmanage.com](http://www.realmanage.com). Your association’s password enabled Board Portal allows each Board member to fully access all of your association’s Accounting Reports, Delinquency Reports, Deed Restriction Violations, Work Orders and other management tools via our web and mobile based applications. Homeowners can also access needed information, including payment status, call history, association announcements, etc., all via a password enabled Resident Portal. Vendor and Attorney Portals are also included as part of your standard service level.

**Company Background**

RealManage is a leading community association management firm that manages communities across the U.S., including homeowner associations, condominium associations, luxury high-rises and large master-planned communities.

We are privileged to serve some of the finest communities in the U.S. including communities as diverse as small ocean-front condominiums to large master-planned communities with several thousand homes to age-restricted retirement communities.

Our unique capabilities include a bundle of services that are all fully integrated into our best people, best practices and best technology approach to managing our communities.

**Solutions for Community Associations**

RealManage focuses on serving community associations (both onsite and off-site) with solutions that help boards of directors manage the top four priorities of effectively governing your community, managing the association within budget, keeping the residents informed and satisfied, and building a strong sense of community.

**Unique Value Proposition**

Our value proposition is unique in that we combine the best people, best practices and best technology to deliver you a comprehensive community solution at a competitive price:

**Best People:**

- Certified managers (PCAM®s, CMCA®s, AMS®s and state certified CAMs)
- Degreed Accountants and Certified Public Accountants (CPAs)
- Professional newsletter publishers and events managers
- Experienced customer service representatives
- Experienced technology staff
- Experienced industry executives

**Best Practices:**

- Extended-hours multi-lingual customer service
- Most resident questions are answered quickly with no re-routing of the call
- Online immediate, electronic access to all relevant information
- GAAP-based accounting, financial and benchmarking reports
- Lockbox operations with no bank fees
- Simplified “all in” administrative and reimbursement fee and no hidden costs
- Collections management process that lowers delinquency rates
- Extensive cloud-based knowledge management system
- Ongoing training for all staff members
- One-on-One training for new and current board members
- Integrated resident communications with pre- and post-move welcome programs, newsletters, websites and community events management
Best Technology:

- Cloud-based Board Portal and Resident Portal that provide 24X7 self serve reports with full, up-to-date access to all key community information
- Industry leading web-based and mobile applications to manage business affairs of the community
- Automated deed restriction enforcement
- Online payments, bank reports, balances and document images
- Online service with web and email requests
- Hosted software system with high security, full redundancy and automated back-up
- World-class enterprise-grade packaged accounting system
- Cloud-based document archive of all correspondence and documents via web and mobile applications
- System alerts to notify employees of issues
- Automated workflow "wizards" for task routing and approvals
- Unified database of all community and resident information

Executive Management Team

Christopher O’Neill, Chief Executive Officer – Chris has twenty years of leadership experience with business services companies, focused on real estate. He is also currently on the board of directors of the leading management consulting firm dedicated to the global real estate industry. He has previously served on the board of directors of several other enterprises, including ten years on the board of the leading procurement solutions company to the multi-family real estate industry. Chris earned an MBA from Stanford University and earned both engineering and economics degrees from Rice University.

Monte Irion, Chief Process Officer – Monte has extensive experience in financial management, accounting and information technology management in real estate and financial services organizations. He also has significant financial experience with all aspects of real estate development and management. His work experience includes financial executive roles at Quanah Properties, Banc One Asset Solutions, and Prentiss Properties. He also worked as a Senior Accountant at Price Waterhouse. Monte is a Certified Public Accountant and he holds a BBA in Accounting from The University of Texas at Austin and an MBA in Finance from the University of North Texas.

Steve Jordan, President, Branch Operations – Previous to joining RealManage, Steve had executive responsibility at Realm Group where he managed 170 employees in four states and managed a large portfolio of communities, military housing and hotels. Prior to that, Steve was a Vice President at Robinson Management Group where he managed a large multi-family property management portfolio and managed many multi-million real estate transactions as a corporate broker. Steve’s other experience includes management over 500 rental properties for 180 client investors at Stanberry & Associates and working as a real estate sales agent with Henry S. Miller Realtors. Steve earned a BA from University of Texas in Austin.

Duane McPherson, CMCA®, PCAM®, Division President – Duane has over 25 years of property management experience. Duane has been certified by the Community Association Institute (CAI) as a Professional Community Association Manager (PCAM®), which is the highest professional certification available nationwide to managers who have advanced skills, knowledge and experience, since 1996.

Prior to joining RealManage, Duane served as the GM/President of Spring Creek Association in Nevada for over 8 years. In this capacity, Duane had overall responsibility for the 5,400+ lot community which includes a golf course, campground, equestrian center, skeet range, 150 miles of road, parks, and numerous commercial properties within the community. Duane also owned his own property management firm managing community associations and other commercial property.

Duane has industry experience in Nevada, California and Texas and has lobbied at the state level for industry regulations.
Transition & Evaluation

Changing management companies will allow you to get a look at all of your operation metrics. As we transition properties, our professional staff evaluates every component of the association. We will have multiple CPA’s, PCAM’s, Managers, and Maintenance Supervisory staff that will be conducting the evaluation as part of the transition.

For example, we may:

- Evaluate Reserve Components and make recommendations to the Board
- Evaluate expenditures in your budget including utilities, insurance and other costs for correct pricing and service level
- Evaluate vendor contracts for pricing, service level and performance. We provide multiple new bids for any recommended vendor changes.
- Evaluate amenities for cost, performance and use
- Evaluate current governing documents, policies, procedures and make recommendations to the Board for changes if needed.
- Present other metrics that could be specific to your particular association

After completion of the transition and evaluation, you will see a dramatic difference in the operation of your community. There will be a decrease in your workload and you will have the tools you need to keep a watchful eye over the community - overseeing the operations, not performing them. The Board Portal will also give you complete access to all of your organization’s documents and operational metrics. In the future, your association’s summary home page will provide a plethora of information on the performance of your association. This information is updated daily; including the daily balance of the association’s operating bank account. We will provide training for you to utilize the Board Portal and understand the complex regulations that govern in your state.

Once we have completed our reviews and inspections and the transition & evaluation process is complete; we will then be able to recommend changes that can possibly reduce your expenditures- and consequently your community’s assessments.

The level of management that your Board of Directors’ desires, can be customized to fit both the needs and the budget of your association. From a very high level of service, to a base level that may be more economically viable for some associations, or anywhere in between. We also have a dedicated maintenance department, RealMaintenance, and a newsletter and website production team available.

Thank you again and we look forward to the potential opportunity to meet with you.

Kindest regards,

**Michael Hofhiens**, CMCA®
Director of Community Association Management
Phone: (972) 380-3586
Email: mikeh@realmanage.com
## Preliminary Estimate:

<table>
<thead>
<tr>
<th>Association</th>
<th>Rosebrok Homeowners Association, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager</td>
<td>RealManage, LLC</td>
</tr>
<tr>
<td>Branch</td>
<td>Dallas</td>
</tr>
<tr>
<td>Commencement Date</td>
<td>May 1, 2014</td>
</tr>
<tr>
<td>Number of current units</td>
<td>54</td>
</tr>
<tr>
<td>Number of total units at build-out</td>
<td>72</td>
</tr>
<tr>
<td>Initial Term (years)</td>
<td>3</td>
</tr>
<tr>
<td>Renewal Term (years)</td>
<td>3</td>
</tr>
<tr>
<td>Community Type</td>
<td>Single Family</td>
</tr>
<tr>
<td># of Complex Amenities</td>
<td>0</td>
</tr>
</tbody>
</table>

## Pricing Schedule

### Recurring Monthly Fees

<table>
<thead>
<tr>
<th>Item</th>
<th>Service</th>
<th>Explanation</th>
<th>Price</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-1</td>
<td>Community Management Services</td>
<td>Inclues all services per the Service Level Agreement:</td>
<td>$600.00</td>
<td>per month</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Management Services</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>o Board Meeting Management – Quarterly GoToMeetings – Two Hour Meetings</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>o Assessment Frequency – Annual</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>o Financial Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-2</td>
<td>Administrative Services</td>
<td>Includes all services per the Service Level Agreement:</td>
<td>$50.00</td>
<td>per month</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Includes a maximum of 2 mass mailings per year of up to three pages each</td>
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<tr>
<td></td>
<td></td>
<td>- Includes all other administrative expenses such as copies, faxes,</td>
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<tr>
<td></td>
<td></td>
<td>envelopes, labels, mileage, telephone, storage and postage</td>
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<tr>
<td></td>
<td></td>
<td>o Includes the printing and fulfillment of DRV letters and statements</td>
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<tr>
<td>1-3</td>
<td>RealCollect - Delinquent</td>
<td>Includes all services per the Service Level Agreement:</td>
<td>$25.00</td>
<td>per month</td>
</tr>
<tr>
<td></td>
<td>Assessment Collections</td>
<td>- This flat monthly fee compensates Manager for all office supplies,</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>envelopes, labels, telephone, storage, postage costs, returned</td>
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<td></td>
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<tr>
<td></td>
<td></td>
<td>check fees and collections letter fees</td>
<td></td>
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<td></td>
<td></td>
<td>o This fee does not include any certified letter charges or applicable</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>third-party legal fees for the actual lien filings, foreclosure filings</td>
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<td></td>
<td></td>
<td>or bankruptcy filings</td>
<td></td>
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<td></td>
<td></td>
<td>o The Association keeps all late fees charged directly to the</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>homeowners by the community</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-4</td>
<td>Set-Up Services</td>
<td>Community Set-Up Services – Built Out</td>
<td>$500.00</td>
<td>ONE TIME</td>
</tr>
</tbody>
</table>

### Total Recurring Monthly Fees

$675.00 per month
The following is a sample of the services we provide. The exact services and service level agreement are specified in the executed management contract documents.

**Community Management Services**

1) **Board Member Relationship Management:**
   - Provide new board of director orientation and training
   - Respond to board member questions and issues no later than the next business day
   - Resolve conflicts and disputes between board members
   - Provide advice to board members
   - Maintain thorough familiarity with the bylaws and restrictions
   - Monitor and disseminate new legislation, ordinances, court cases and other information pertinent to the Association
   - Monitor and disseminate public notices/information pertinent to association

2) **Annual Meeting Management:**
   - Update list of all Owners, declarants and other attendees
   - Prepare meeting agenda and meeting packet
   - Issue meeting notices and proxy statements
   - Oversee registration of all attendees
   - Run the meeting if requested by the Board
   - Give annual Manager’s report
   - Explain financial condition and budget information
   - Publish meeting minutes within 30 days

3) **Service Provider Relationship Management:**
   - Provide Service Provider Management system
   - Assist Board in the preparation of bid specifications
   - Manage competitive bid process as needed for large jobs
   - Analyze bids
   - Selection of vendors, scheduling and inspection work
   - Invoice approval and payment process (all utilities are to be paid by EFT if the vendor accepts EFT)

4) **Access Control Management:**
   - Manage access control systems
   - Manage and distribute access control media

5) **Architectural Control Committee Management:**
   - Receive requests and copies of plans from Owners
   - Forward request to board committee
   - Notify Owner of the status

6) **Resident Service Center (RealService):**
   - Provide Resident Service Center System
   - Provide trained Resident Advisors to provide personalized, multi-channel service and distribute information as appropriate
   - Provide after-hours emergency call handling system
   - Maintain owner database with contact history and interaction notes
   - Monitor calls for quality of service and survey resident satisfactions

7) **Board Portal (RealReports):**
   - Provide cloud-based document archive
   - Provide cloud-based reporting system with DRV, call log, delinquency, AP, lot, directory, financial summary and benchmarking report

8) **Resident Portal (RealReports):**
   - Provide cloud-based document archive
   - Provide cloud-based resident service system Owner statements, assessment information, deed restriction information, directory, online payment and online service request forms
Community Inspection Services

9) Site Inspections and Deed Restriction Management (RealInspect):
   - Provide Deed Restriction Management system
   - Maintain Association restrictions information database
   - Provide continuing deed restriction awareness content through articles for the newsletter and/or special mail-outs
   - Inspect property for compliance with restrictions based upon readily visible violations from Common Area streets, driveways and sidewalks
   - Manage Deed Restriction Committee input
   - Manager Owner complaints of violations
   - Notify Owners and builders of violations via standard notices and Maintain violation log

Board Meeting Services

10) Board Meeting Management:
    - Prepare preliminary meeting agenda and meeting notice
    - Prepare and publish board meeting packet
    - Participate in the meeting
    - Present Manager's report

Financial Management Services

11) Association Affairs Management:
    - Provide designated place of business
    - Provide designated representative
    - Manage corporate records book
    - Provide records storage
    - Facilitate inspection of books and records by Owners
    - Manage minutes book
    - Serve as liaison with legal counsel
    - Coordinate with legal counsel or other professional services providers as necessary to over-see that all necessary filings, licenses and permits are properly prepared and filed in accordance with any applicable local, state, or federal laws

12) Financial Management (RealFinance):
    - Provide Accounting and Financial Software
    - Manage Accounts Payable
    - Manage Accounts Receivable
    - Manager General Ledger
    - Prepare a proposed annual budget and forecast
    - Bank account maintenance (additional fees apply for bank loan management)
    - Reconcile monthly bank statements
    - Manage disbursements and perform required document processing
    - Facilitate cash management
    - Prepare standard monthly financial reports no later than the 20th day of the following month-end and prepare standard year-end financial reports no later than the 45th day of the following year-end, each with standard account codes

13) Manage Owner Assessments (RealPay):
    - Issue standard assessment coupons or statements
    - Issue replacement coupon books
    - Manage EFT/ACH payments process
    - Manage credit card payment process (additional bank fees may apply to the Owner)
    - Collect and post to proper bank account
    - Process check without coupons and returned checks

14) Statements of Account and Resale Process Management:
    - Provide Statement of Account/Resale Process Management database
    - Answer tax service, title company and mortgage company inquiries
    - Answer homeowner inquiries
15) **Transfer Process Management:**
- Provide Transfer Process Management database
- Manage plat and lot/unit owner database
- Update Association records for new owner
- Generate transfer documentation

16) **Refinance Process Management:**
- Provide Refinance Process Management database
- Answer tax service, title company and mortgage company inquiries
- Coordination of subordination agreement requests
- General refinance documentation

17) **Tax Management:**
- Provide Tax Management system and manage property taxes
- Maintain updated plat information
- Maintain property tax information within the proper jurisdictions
- Maintain property tax accounts, parcel identifiers and property tax invoice payments
- Collate information for any required Federal or State tax return preparation and forward to independent tax vendor for preparation
- Coordinate with the Association on required signatures for the required tax returns
- Prepare and issue W-2s and 1099s

18) **Insurance Management:**
- Assist with the application of the following insurance policies as requested: liability; property; worker’s compensations; Directors & Officers; Errors & Omissions
- Maintain a manager Fidelity Bond as required by Association or statute
- Maintain Association insurance policies including expiration dates and renewals

19) **New Owner Welcome Process (RealWelcome):**
- Mail out a welcome letter
- Maintain and update welcome packet and/or make information available online
- Distribution of access cards/keys to amenities as appropriate
- Alert board to new owners (made available online)

### Administrative and Collections Services

20) **Fulfillment Management:**
- Provide community mailing services for regular mailings, special notices and annual meeting notices as required

21) **Delinquent Assessment Collections (RealCollect):**
- Provide delinquency management system
- Create and mail standard delinquency notices
- Create legal referral packet and submit to Association’s attorney
- Coordinate with the Association attorney post referral
- Process bankruptcy correspondence and file Proof of Claim on behalf of Association
- Receive, research, review and process foreclosures documents for subsequent conveyance and collection
- Provide delinquency report
- Assess, collect and post late fees
Community Communications Services

22) Newsletter Publishing Service (RealNews):
- Create, scan and format logo for use with the Newsletter
- Layout newsletter template
- Write, edit and format articles
- Take, scan and format photos
- Maintain resident database
- Publish, print and mail newsletter
- Post newsletter to RealReports board portal
- Post newsletter to RealWeb Website (if applicable)

23) Website Software and Hosting Service (RealWeb):
- Set-up hosting agreement
- Domain registration
- Scan or format photographs provided by Association
- Create logo, scan and format for use with the Website
- Design the website
- Set-up the named Association Administrator access and provide a base level of one hour of e-mail support during Manager’s regular business hours
- Provide Association hosted Website
Cloud-Based Reporting Technology

Board Portal

The Board Portal is a proprietary cloud-based reporting portal developed to enable client board and committee members to better manage their community through intuitive, cloud-based reporting portal that allows them real-time access to pertinent community information such as:

- Financial reports
- Legal documents (Bylaws, Articles of Incorporation, DCCRs)
- Work Orders and Task Logs
- Deed Restriction Violation (DRV) summary and drill down reports
- Delinquency logs
- Call log reports
- Resident directory
- Detailed list of all lot information
- Vendor invoices, book balances, open AP and expense detail pivot table
The Open AP view details a list of approved invoices/disbursement requests pending payment. Click the blue help icon (question mark) for more information.

Current cash balance in operating account: $3,704.79

Vendor:

<table>
<thead>
<tr>
<th>Invoice #</th>
<th>Account Description</th>
<th>GL Post Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>346013</td>
<td>Landscape Maintenance/Contract</td>
<td>11/12/2013</td>
<td>$2,186.95</td>
</tr>
<tr>
<td>30113</td>
<td>Landscape Maintenance/Contract</td>
<td>09/16/2013</td>
<td>$5,047.00</td>
</tr>
<tr>
<td>5001142105600</td>
<td>Prepaid Expense/Prepaid Expense</td>
<td>12/05/2013</td>
<td>$75.00</td>
</tr>
</tbody>
</table>

The Financial Summary provides a high-level Operating Fund and Balance Sheet view of the financial condition of your association. Click the blue help icon (question mark) for more information.

Operating Fund Revenue and Expense Summary:

- **Revenue**
  - Budget: 39,325
  - Actual: 55,047
  - Var.: 15,722
  - Var.: 40%
- **Gross Expenses**
  - Budget: 28,094
  - Actual: 25,279
  - Var.: 155
  - Var.: 1%
- **G&A Expenses**
  - Budget: 11,611
  - Actual: 26,304
  - Var.: 15,293
  - Var.: 139%
- **Other Expenses**
  - Budget: -
  - Actual: -
  - Var.: -
  - Var.: 0%
- **Total Operating Expenses**
  - Budget: 39,103
  - Actual: 56,593
  - Var.: 17,490
  - Var.: 49%
- **Net Surplus/(Deficit)**
  - Budget: 220
  - Actual: 464
  - Var.: 244
  - Var.: 111%

Consolidated Fund Balance Sheet Summary:

- **Assets**
  - Budget: 30,501
  - Actual: 34,441
  - Var.: 140
  - Var.: 0%
- **Liabilities**
  - Budget: 15,016
  - Actual: 16,691
  - Var.: 1,675
  - Var.: 2%
- **Operating Fund**
  - Budget: 27,475
  - Actual: 27,015
  - Var.: 460
  - Var.: 2%
- **Replacement Fund**
  - Budget: 42,963
  - Actual: 42,963
  - Var.: 0
  - Var.: 0%
- **Common Property Fund**
  - Budget: -
  - Actual: -
  - Var.: -
  - Var.: 0%
- **Total Fund Balances**
  - Budget: 15,484
  - Actual: 15,950
  - Var.: 466
  - Var.: 3%
- **Liabilities & Fund Balances**
  - Budget: 30,501
  - Actual: 30,641
  - Var.: 140
  - Var.: 0%
Resident Portal

The Resident Portal is a unique service that enables residents and homeowners to better manage their affairs with their community association through a secure, intuitive, cloud-based reporting portal with up-to-date access to pertinent community information such as:

- Owner statements and payment history
- Deed restriction summary
- Deed restriction violation reporting
- Board member directory
- Owner directory
- Online Payments
- Online service requests
- Assessment rules information

![Resident Portal screenshot](image)

**Account Information**

- **Property information**: This section shows your property and assessment information. Please select the "View Payment History" link on the left of this page to see a detailed payment history.
- **Contact information**: Please make sure that your contact information is correct. This address will be used to send annual meeting and other important notices.
- **Directory information**: You have the option to make your contact information available to your neighbors. Please select the information boxes that you wish to have included in the directory.

![Account Information screenshot](image)

**Documents**

Any email that has been sent to you is kept in electronic reading order, collection notes, and more. These are all questions regarding the information provided on this page. Request by clicking on the "Contact Us" area to the left.

![Documents screenshot](image)

**Report a Restriction Violation**

Help maintain your community by reporting deed restriction violations (DRVs). Please provide as much information as possible when submitting your report. An asterisk indicates required information. Reports with missing information will not be reviewed.

If you are reporting an "Unlawful Activity" (UAW), you must include the license plate number of the vehicle in question. Similarly, if you are reporting a OVR due to a dog barking, you must keep a dog barking log. You will be required to log each occurrence (date and time of day) as well as the duration (in minutes). Failure to attach a barking log will invalidate your report.

To enter a property address, start typing the street number and name and the field will auto-fill with the addresses for you to choose from. Do not attempt to type in the complete address as your entry may not match the database address abbreviations.

![Report a Restriction Violation screenshot](image)

**Make a One-Time Payment**

You can pay your assessments online with a credit card or e-check.

To make an online payment, you must provide your phone number so that the bank may contact you if necessary. If you need to add a phone number to your account, please select "Account Information" link to the left.

Presently, your Association's bank does not support the Safari web browser for making online payments. We apologize for the inconvenience.

E-check payments are free of charge, but the bank charges a processing fee of $14.95 for a credit card payment.

Any payments made will not be reflected in the account balance until the next business day.

![Make a One-Time Payment screenshot](image)
Web and Mobile Based Applications

In conjunction with the cloud-based portals, RealManage provides extensive access and tools to manage the day to day business affairs of the community with complete processes on the go, in a familiar app interface and interactive graphic displays via its web and mobile based applications. This technology is:

- Accessible
- Compliant
- Configurable
- Easy-to-Use
- Process-centric
- Role-based
- Scheduled
- Cloud-Based
- Comprehensive
- Controlled
- Integrated
- Reportable
- Scalable
- Supported

Web Based Applications

Our industry leading web-based applications allow the Board to manage the community’s:

- Projects and tasks
- Community information
- Calendar
- Vendor Management
- Architectural applications
- Emails
- Resident information
- Maintenance work orders
- Financials
- Deed restriction processes
Mobile Based Applications

Our industry leading mobile technology allows the Board to manage processes in real-time including:

- Add/update projects / tasks
- Submit invoices using the camera or locally saved files
- Access and work the Board/Committee Work Box
  - Invoice approval
  - Collection referral approval
  - Architectural request approval
- Update maintenance work order
- Access property and owner information
  - Contact information
  - Account information
  - Violation information
RealManage provides the industry leading transparency and visibility into the business affairs of your community. Our intuitive Management Report provides a true 360°-review of our level of service conducted on a monthly basis provided in .pdf format for your review. With its extensive views into the business affairs of the community, it allows for better, more informed decisions on a timely basis. This consultative, value added tool, for both Community Association Managers and your board members, works in conjunction with our cloud-based board portal, resident portal and Monthly Financial report.