

## **MANAGEMENT SERVICES AVAILABLE**

Red Oak's services are tailored to the needs of your community. They may include policy and procedure development, board member/homeowner education, financial management, meeting facilitation, processing owner requests to make changes on their property, gaining compliance with covenants, or other activities. Red Oak can also organize, implement, and manage special projects or services for your community, such as arranging a community wide trash service, snow removal, mowing, or for community-spirit building.

Has your association developed procedures required by state law? Most associations must have guidelines for maintaining accounting records, enforcing rules, collections, resolving disputes with owners, investing reserve funds, providing notices, avoiding conflicts of interest, etc. Red Oak can help establish these or, if needed, refine the ones you already have in place.

Typically, we will need to review the following documents: Plat Map, Articles of Incorporation, Declaration/Covenants, Bylaws, Colorado-required policies, any Rules and Regulations, Board Resolutions, etc.

## **COMPLIANCE WITH COVENANTS**

We highly recommend a covenant compliance process that is external to the association. Pitting board or committee members against their neighbors is not a good way to remain neighborly and an unprofessional or faulty process can lead to legal risks.

When the association's case is weak, "settling out of court" can end up benefiting a violating homeowner financially. It can also leave the association in a position where neighbors must simply tolerate the new clothesline, bright purple house, Rvs on the street, group detox home, short-term rental, or marijuana grow operation.

We consider that a reasonable approach to covenant compliance is in the best interest of your community. Once a management contract is in place, your governing documents are thoroughly reviewed and form letters are developed. Then, our initial contact is with a courteous letter, sent to all owners and residents, describing what duties the board has delegated to Red Oak.

After reviewing your existing documentation on violations, a driving tour of the community is done. If an owner's property appears to be in violation of the Covenants or Rules & Regulations, a Courtesy Reminder is sent. In the majority of cases, this is all that is required to gain compliance. The Courtesy letter includes key information for the homeowner, including text from the governing documents and an invitation to contact us with any questions, information, or concerns.

If the issue is not resolved after the initial contact, a more formal letter (Second Notice) is sent to the owner with an additional statement of possible future actions that may be taken by the association if the violation is

again observed. Text from the governing documents is included covering the various remedies available to the Board, such as fines, recovery of expenses, loss of membership privileges, court, etc.

If the violation has not been resolved after the Second Notice, a “Notice of Hearing” is sent advising the owner of the hearing date, location, and other particulars. Hearings are for the owner to be heard and also to give the Board or Hearing Committee a chance to meet face to face with owners for an additional chance to resolve the matter.

An important component to this process is that, if a board member receives a complaint about having to comply, about receiving notices, or about Red Oak, the person should be told to contact Red Oak to resolve the matter. The activity of handling compliance needs to be handled by Red Oak. When our process is done as designed, we see a pattern happening. Over the first year or so, there is usually a slight increase in violations found, as we tend to be thorough. Then, as the process works, people gradually get more in the frame of mind of caring for their property so as to be a better neighbor. People in the association become friendlier, they get to know each other more, property values rise, and community spirit builds and flourishes.

### **Architectural Request Form Processing**

Architectural Control (AC) is a key part of ensuring compliance with your Covenants. Establishing a known path for homeowners to make changes to their homes, in accordance with the governing documents, is a vital part of association management. Delays, uncertainties, contradictions, verbal “agreements,” and disagreements are all fruitful for law suits against the association, the costs of which might *not* be covered by insurance.

To resolve this, Red Oak makes readily available Design Review Request forms to owners, as approved by the AC Committee. When forms are received, they are logged then forwarded to the AC chair. Upon receipt of the AC's decision, Red Oak informs the owner if the request has been approved or, if disapproved, what is required. Logged data also serve as a reference for covenant tours, helping to ensure that modifications are completed on schedule and in accordance with the AC's approval.

## **ACCOUNTING SERVICES / FINANCIAL MANAGEMENT**

### **Assessment Billing**

Red Oak has a proven record on assessment billing services. Our system includes management of an owner database, billing and collection of assessments, keeping contact information up to date, etc.

### **Collections**

Past-due accounts, whether from assessments, special assessments, fines, or other charges, are handled professionally and in accordance with state and federal laws. Red Oak uses Demand letters, filing liens, and/or filing suit in Small Claims Court, as needed. Our percentage of assessments collected is 96% to 100%. This has been achieved without resorting to taking cases to court or foreclosing on properties, though these can be done.

### **Title Company Statements for Sales**

The current status of assessment payments is maintained for all homeowners. Status Reports are furnished to title companies upon request. The cost for this service is charged to the buyer and/or seller by the title company so that there is no cost to the association. Charges, to Title Companies, range from \$100, for a simple report, to higher for more complex cases.

### **Asset Accounts**

If needed, an association-specific bank account is opened and maintained for the sole purpose of holding and disbursing the operational funds of your association. Whether your treasurer handles funds or delegates duties to a manager, Crime and Fidelity Insurance is maintained by Red Oak, along with Errors and Omissions and

General Liability. However, we are known for handling funds ethically and in a professional manner. (References available upon request.)

Red Oak can also track and report on all Reserve funds held by the association. If common areas (association-owned property) are a part of your association, Red Oak can secure a professional vendor for the appropriate level of Reserve Study to ensure future needs can be appropriately covered.

**Accounts Receivable / Payable:** Accurate, efficient billing of assessments and other amounts due are handled in a timely and organized manner. All invoices for products received by and services rendered to the association are reviewed prior to being listed and submitted to the Treasurer of the Board for approval. Checks are then prepared for signature or processed by Red Oak. Detailed, organized records are maintained, made available to the Board, and provided periodically or upon request.

**Annual Planning / Budget:** With the assistance of your association's Board, Red Oak prepares a detailed budget, which forms the basis for assessment levels and tracking of finances during the year.

**Financial Reports:** Reports are generated monthly, quarterly, biannually, or annually, based on the Board's requirements. These can be tailored to the preferences of your Board and may include:

- Profit and Loss Statement
- Balance Sheet (Net Worth Statement)
- Accounts Receivable Aging (Assessment Collection, etc.)
- Invoice Review and Payment
- Checking Account Reconciliation
- Cash Flow vs. Budget Analysis

**CPA & Tax Professional Coordination:** We work in conjunction with your CPA income tax professional to on audits and reviews and to ensure your annual tax filings contain accurate information and are submitted in a timely manner.

## **MEETINGS**

### **Board Meetings**

A Red Oak representative attends the Board of Director meetings. Minutes can be taken by us, allowing the Board's Secretary to pay better attention to the meeting. An Agenda plus Minutes from the previous Board Meeting can be provided in conjunction with any reports and documentation requested by the Board. If needed, a meeting location can be arranged.

### **Annual Meeting**

Red Oak can make arrangements for the Annual Homeowners Meeting, including reserving a facility, arranging for speakers, sending timely notices (in accordance with state law), preparing ballots and proxies, mailing these to each homeowner of record, receiving proxies, counting or overseeing the counting of ballots by volunteers, taking Minutes of the meeting, and other functions as requested.

### **Special Meetings**

Red Oak can attend Executive Sessions, where appropriate, and other special or committee meetings where needed.

## **Documentation of Board Resolutions**

Red Oak can assist the Board in compiling and organizing records of Board decisions required for day to day use or periodic situations. This is especially important as volunteers are often the only ones who remember past decisions and, when they leave their positions or move, that knowledge can be easily lost.

## **EDUCATIONAL SERVICES**

Effectively running a community association takes knowledge. Many Board members do it from their life experiences, how they consider tasks should be done, or just attempt to fill a gap that others won't do.

You and your neighbors deserve consistent, professional, reasonable, and responsive management, whether it is done solely by volunteers or some or all duties and responsibilities are delegated to professional management. In either case, volunteers should be trained for their positions. Additionally, state law requires that education be provided to homeowners. Red Oak can help to accomplish all of this.

## **ADMINISTRATIVE SERVICES**

### **Membership Directory**

An up to date membership directory is maintained, including names, property addresses, email addresses (where provided), addresses of record, and off-site mailing addresses. A Residents Directory may be published at the request of the Board, if individual information is authorized by each owner/resident, either in hard copy or securely online. Individual information is withheld upon request.

### **New Owner (or resident) Welcome Packets**

A packet can be provided to all new owners or residents after closings on properties or changes in tenants. This helps new owners to learn about the association, the community, or local businesses, based on what the Board wishes to include in the package. Funding for this can be developed by Red Oak from local businesses wishing to promote their goods or services.

### **Newsletters**

Newsletters may be published monthly, quarterly, or as requested by the Board. The Board or other volunteers can contribute some or all of the articles for each issue and have Red Oak develop the rest. Engaging, informative, fun, and timely newsletters, with a bit of well done humor, contributes to the spirit of a community. And funding for newsletters can be supplemented with advertising from local businesses.

### **Association Website**

Our websites are sharp, efficient, and communicate clearly what is needed, whether it is with up to date information on meetings or a community calendar, minutes, financials, newsletters, or other items. Items required by state law can be available online for the convenience of association members, realtors, title companies, perspective owners, etc. A good website can be an encouragement to those looking to purchase in the area, which is a way to increase property values.

## **GROUNDS AND CONTRACT ADMINISTRATION**

We have relationships with vendors for buildings, parking areas, and landscaping maintenance, snow removal, etc. Contract administration services include:

- Development of bid specifications
- Researching to find qualified vendors
- Request for and review of contractor proposals
- Verification that contractors are licensed and properly insured
- Providing recommendations of the most promising vendors to the board with a comparison of bids

- Project / maintenance work oversight and inspection upon completion
- Invoice review prior to submittal to the Board's Treasurer for payment or synopsis provided to the Board
- Implementation of community-wide trash service, collecting payments, and forwarding fees to the trash company, thereby providing savings to each resident and safer roads
- Establishment and oversight of snow removal services

### **CONSULTING SERVICES**

Owner associations are not only governed by their legal documents, they must also comply with federal and state laws. Although legal advice and final review should be rendered by a competent attorney, Red Oak can assist your association on areas including:

- Policy and procedure development
- Declaration/Covenant amendment or revision
- Developing sufficient owner interest to pass Covenant revisions
- Updates on recent legislation that effects associations
- Running more efficient meetings
- Building a spirit of community through social gatherings and community events and developing volunteers
- Establishment and organizing of various committees, Neighborhood Watch programs, community-wide trash programs, etc.
- When to seek legal assistance instead of relying on advice from non-attorneys

### **In Conclusion**

We are prepared to work with your board, owners, and residents to create an atmosphere of cooperation and compliance within your community and look forward to hearing from you as to how we may assist your association.

### **Contact Information**

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