

May 13, 2016

Dear CRHOA Homeowners,

The Board has engaged in a number of discussions over the past 18 months regarding hiring a property management company. Discussions were held during three Board meetings in 2015 and at the annual 2016 HOA meeting. In addition, interviews were conducted with three firms.

The Board posted the agenda for its April 5th meeting on the HOA website, Facebook and email distribution list. At that meeting the Board conducted second interviews with two firms.

Based on these interviews the Board voted to hire Vista. The Board expects to have the contract in place effective June 30, 2016. The first six months of the agreement will include a transition to Vista of the accounting and landscape manager duties.

Why hire a management firm?

1. Replace our current bookkeeper who wishes to retire (paid position) - this is included in Vista's fee
2. Replace our current landscape manager (paid position) – this is included in Vista's fee
3. Vista will take on the twice monthly violations inspections. The R&R committee and the Board will continue to review, monitor and staff the appeals committee
4. Vista brings a professional management staff that is constantly trained in the best practices and rules and laws of homeowners associations
5. Crystal Ridge is the largest self-managed HOA in the area. Others of the size of Crystal Ridge have property managers
6. Vista brings on-line technology for billing and homeowner access to their dues accounts
7. Vista provides an in-house collections solution that returns more of the past due account funds to the HOA
8. Vista will provide advice to the Board and the homeowners regarding legal duties, communications and management
9. We expect that with these duties taken on by Vista the Board will be able to invest more time in the community than on day to day matters
10. The Board expects that more homeowners will serve on the Board with less day to day issues and conflict resolution issues to manage
11. Historic lack of interest by homeowners in serving on the Board over the past 10 + years. Several of these long term members wish to step down from the Board
12. This will be a one year agreement and will be reevaluated prior to renewal
13. The Architectural Control Committee (ACC) will remain in place with no changes
14. The Rules and Regulations (R&R) Committee will remain with no changes
15. The web site and email DL will continue to be managed by the Board

What are the numbers?

Our current annual budget is \$159,560. The net increase in cost by hiring Vista is:

Vista Fee	\$24,000	
Less:		
Accounting Fees	\$ 5,800	Vista's fee includes bookkeeping
Landscape Manager	<u>\$ 5,500</u>	Vista's fee includes landscape mgmt
Net increase in Cost	\$ 12,700	

Will My Dues Increase?

Dues are primarily based on capital improvements required to maintain the association assets. Owners should expect dues to increase in the future based on these parameters. If we increase dues just to cover the net increase to pay the management company that would be about 5%. The Board will vote on dues at a meeting later this year. Please note that the bylaws allow the Board to increase dues up to 10% per year without a vote of the homeowners.

I Hear Negative Things About Property Managers:

Most complaints about property management companies we believe stem from lack of Board oversight. CR Board members have been active managers for the past 21 years. The Board becomes a manager of the third party with a property manager involved. This will require a different approach to the duties the Board has performed in the past. We think the Board is equipped for this. It is very important to understand that the Board will remain active as it always has been but can now engage in community development and planning to help make CR an even better place to live.

We have a lot of things planned for Crystal Ridge including expanded Neighborhood Watch and a security committee, National Night Out events, tree replacement, play Lot improvements, irrigation upgrades and more. Please consider getting involved in any of these or bring your ideas. We would like to hear from you.

We encourage you to run for a position on the Board. Crystal Ridge can only be the most desirable place to live if we all contribute.

We welcome your questions and comments.

Please email the Board at board@crystalridgehoa.org and visit our web site, <http://crystalridgehoa.org>, for more information.

Sincerely,

Your Board Members