



A Fresh Start for Your Community®

COMMUNITY MANAGEMENT PROGRAM
FULL SERVICE OPTION



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MMI

MAJERLE MANAGEMENT, INC.

INTRODUCTION

Majerle Management, Inc

Majerle Management, Inc., (MMI), was incorporated in Maryland on March 5, 1987. Our offices are located in Greenbelt, convenient to the Capitol Beltway and Baltimore-Washington Parkway. Additionally, our management staff maintains home-based offices in Silver Spring and Columbia, serving all of Prince George's, Montgomery and Howard Counties. All accounting functions are performed in-house at the Greenbelt office.

Chris Majerle, CMCA, AMS, PCAM, GRI

Chris Majerle, president of MMI, has held a Real Estate Broker's License in Maryland since 1975 and in Washington, DC since 1982, and has specialized in Property Management since 1982. His experience includes on and off-site management of apartment buildings from 3 to 432 units and the management of single-family homes, town homes, rental condominiums and both condominium and homeowner's associations.



In 2006, Chris was named Rising Star by the DC chapter of the Community Associations Institute for his significant volunteer efforts. He serves on the Publications Committee which is responsible for QUORUM™ Magazine and has authored several articles for the publication.

Chris' designations are the Certified Manager of Community Associations, (CMCA), the Association Management Specialist, (AMS) and the Professional Manager of Community Associations, (PCAM). These designations are awarded after successful completion in a course of study comprised of Accounting, Communication, Governance, Insurance, Risk Management and Facilities Management. Candidates are required to demonstrate five years of community management experience and to complete and pass a case study report. The designation, Graduate Realtors' Institute, (GRI) is a real estate brokerage designation recognizing successful completion of an intensive, broad topic, training program.

MMI has earned the corporate designation of Accredited Association Management Company, (AAMC), by the Community Associations Institute. This designation recognizes a management firm's commitment to the industry by requiring the lead person to hold the PCAM and at least half of the managers to hold the CMCA or AMS designation. It also requires proof of licensure and insurance and that the company obtain written references from long-term clients who have experience a wide variety of services from the firm.

Chris has also sat on the other side of the table as Treasurer of Middlebridge HOA, a 308 unit mixed single family and townhouse association with a pool and he has served as operations director for a 400 family membership community pool. Currently, he is serving as the treasurer of the Hanover Office Park, a 162 unit condominium office park.

Licensing & Affiliations

Majerle Management, Inc. bonded and insured and is licensed by the Maryland Real Estate Commission. Licensing is not required for property management firms in Maryland.

MMI is a member of the Prince Georges's Association of REALTORS® and the Greater Capitol Area Association of REALTORS®. We are also members of the Metropolitan Regional Information System® (MLS) and the Community Associations Institute®.

SALES • RENTALS • PROPERTY MANAGEMENT • COMMUNITY ASSOCIATIONS

What sets MMI apart from other management companies?

A Fresh Start for Your Community®

Our performance in several key areas is why communities are choosing MMI to manage their association business. Whether your community suffers from years of neglect, physically and/or financially, or you are a new community emerging from developer control, the issues are generally a matter of organization and planning; tomorrow is a new day.

First, we plan. MMI has developed a workbook for board members to analyze their pressing issues and to create a plan for the administration, management and maintenance of the property. Ideally, this workbook is used in a classroom setting where Chris Majerle will conduct the class and assist members in the creation of their unique plan.

Then, we develop systems to organize, track and report. At any given moment, there are 10, 25 or 100 things going-on in the areas of contract management, facilities maintenance, legal and collection, insurance and day-to-day business operations. Something is bound to be forgotten if this information is not managed. That is our job. Through a series of reports and documents, we manage those details. MMI maintains a community calendar showing all important due dates, contract expirations, meetings and events. For task management, we maintain an action log showing the date the task was assigned, to whom, a description of the task and the status. Each of those documents is in the front of every monthly management report. As you will see, we furnish a thorough management report to the board every month as well as a separate monthly financial report. Nowhere, will you see anything that compares to the volume of information we furnish on a monthly basis.

We encourage all board members to become members of the Community Associations Institute. There, you will have access to educational programs, books and publications as well as networking events and trade shows. CAI members clearly benefit from the small annual fee. CAI offers the Essentials course for board members.

MMI is well underway in the production of its Board Member Development Program (BMDP) which currently consists of three classes:

- BMDP 101 – So, You’re on the Board of Directors
- BMDP 102 – Developing a Successful Management Plan
- BMDP 103 - Fostering Volunteerism in Your Community
- BMDP 104 - Community Communications

- BMDP 201 – Budgeting and Financial Reports
- BMDP 202 – Reserves, Investing & Long-Term Planning
- BMDP 203 – Risk Management & Disaster Planning

- BMDP 301 – Passive Security & Beautification
- BMDP 302 – Bid Solicitation, Analysis and Contracting
- BMDP 303 – Managing Major Improvements and Fire/Disaster Recovery

As you may notice, these classes conform nicely with the MMI Fresh Start program dealing with the areas of Administration, Finance and Facilities or Physical Plant Maintenance.

In the coming pages, you will learn about the MMI's Association Management Program. Each management agreement is custom tailored to meet your needs. Every community is different in every aspect from physical design, age and condition to financial condition, board member personalities and experience levels. We recognize that there is sometimes a right way and a wrong way, but there can also be a recommended way and your way. We are strong managers. Boards may choose their own way, but we will not sit quietly when you choose "the wrong way." We will tell you and tell you again. But, when there is flexibility under the law or the governing documents, we will not be insulted if the board does not always elect to take our advice. The board is in charge and the board is ultimately responsible. Our job is to ensure that the board knows when there is a legal requirement and to educate when there are alternatives; then, to let the board govern. We hope that your board of directors is looking for a management firm that will bring good advice to the table and who will let them know when they are legally bound to act in a particular way, but who will allow a responsible board to act as they see fit, within the required parameters. If that is you, you have found your perfect match.

The MMI Community Management Program

ASSESSMENT COLLECTION

- Community Website

It's the electronic age! Each MMI community, regardless how large or how small, received a website at no additional charge. Here, unit owners can log-on and view their payment accounts in real time. Owners can link to the bank for online payment and may change their contact information in the unit owner directory. At the owner's option, certain contact information may be locked-out to the general membership, but board members and management retain full access. The website may contain a seemingly limitless amount of information ranging from searchable governing documents and copies of meeting minutes and agendas to online forms, meeting & event calendars and copies of financial statements & audits. Naturally, some of this information should not be accessible to just anyone, so each item added to the website is given a security access level with management & the board at the highest levels, renter occupants and the general public at the lowest level.

- Personalized Payment Coupons & Envelopes Provided to Owners

Payment booklet printing is outsourced with booklets mailed directly to homeowners. Cost is billed at the actual rate. Return envelopes are optional. Books are not printed for owners who opt for electronic debit, saving you on printing and mailing costs.

- Electronic Debit and Credit Card Payment Options

Owners may go online at www.mmiassociations.com to pay online. They may choose to make a single payment or to have payments debited on the same day each month. Automatic debits are encouraged with no transaction fee.

- Posting of Dues and Late Fees; Owner Accounts Maintained Up-to-date

Payments mailed are sent to a lockbox for deposit twice daily with electronic notification and nightly posting. Of course, online and debit payments are posted as received. Late fees are posted on time and statements are immediately issued to delinquent homeowners.

- Monthly Statements to Delinquent Accounts

When statements are mailed to delinquent homeowners, they contain a warning about court action. The warning states on what date and for what unpaid balance cases will be referred for legal action.

- Monthly Report to Directors includes Delinquency List

Each monthly report contains a delinquency list as of the last day of the previous month. This report is a one-line list, sorted by unit number, with the total of all delinquencies shown.

- Serious Delinquents to Attorney for Letter and/or Filing of Civil Case

Your Board of Directors will define "serious" and we will act accordingly. When cases reach that level, lien letters will be sent and we will follow-up with the attorney for the filing of liens and civil actions. Our software tracks and records all collections action against each owner to form our own credit file which is available to the board.

- Funds Deposited in F.D.I.C. Institution

All Association funds remain in an F.D.I.C. insured institution and accessible to the association. Associations may choose to have a Board member sign all checks or to have management sign checks below a specified amount.

ANNUAL MEETING

- Notices and Proxy Forms Prepared and Sent

MMI takes on all the paperwork associated with the annual meeting and election. We will issue the notices and proxies and receive proxies for counting. Template forms are available to the board for notices, proxies, ballots and an elections procedures resolution.

- Sign-in Sheet Prepared

Sign-in sheets or cards will be prepared in advance and staff will be present to help validate the registered voters. If delinquencies bar voting, a delinquency list will be cross-checked before a ballot is furnished to the homeowner.

- Ballot Prepared & Printed

Ballots are prepared in accordance with the community election resolution, printed and furnished at the meeting after eligibility verification.

- Attended by Property Manager

Your property manager is always present at the annual meeting and may be accompanied by an assistant.

REPORT OF ACCOUNTING

- Accurate and Timely Accounting Statements

At MMI, we are proud to say that no Association report has ever been published late. Our goal is to have reports delivered or in the mail by the 15th of the month. Accuracy is equally important. Before the report is printed, it has been reviewed to ensure all accounts balance and that entries are posted correctly. Our software requires managerial intervention to correct errors, which also serves as a safeguard against records alteration.

- Online Reporting for Accumulation of Readily Accessible History

Both our management reports and our financial reports are posted to your MMI Administrative website where only board members have access. Reports remain online for up to 3 years, or longer. All segments of the report are printable.

- Copies of all Bank Statements and Invoices Included

Each report contains copies of all bank statements and reconciliation reports for each. In addition, there will be a check register and copies of all invoices received for your association.

Monthly Financial Report (contains only “public information”—that which any member of your community is entitled to see)

- Balance Sheet
- Copies of Bills
- 12 Month Profit & Loss
- General Ledger (if desired)
- Bank Statements
- Check Register
- Profit & Loss w/Budget Comparison
- Bank Reconciliation
- Newsletters/Correspondence

Monthly Management Report (contains privileged information—for board member eyes only)

- Management Summary
- Property Inspection Reports
- Violation Notices & Disputes
- Attorney Collection Report
- Delinquency Report
- Owner “Credit History”
- Confidential & Legal Correspondence
- Action Log
- Administrative Calendar

Board Meeting Packet (intended to prepare board members for upcoming meetings—sometimes combined with the Management Report)

- Meeting Agenda (provided by President)
- Prior Meeting Minutes (provided by Secretary)
- Pending Proposals
- Pending Resolutions

ANNUAL BUDGET PROPOSAL

- Preliminary Budget Developed

Your property manager will analyze income and expenses of the past year or two and incorporate any known changes in contract rates, inflation and planned expenditures. Before the committee arrives, a preliminary budget will be on the table. A narrative will be included to explain each line item and how that number was derived.

- Budget Proposal Presented to Budget Committee

At our office, the preliminary budget will be presented to the committee on paper and on-screen. Here, the committee will discuss the budget line-by-line and develop the recommended budget for the Board.

- Final Budget Draft to Board of Directors

The Committee’s recommended budget will be ready for presentation either by the Property Manager or a Committee member to the Board at the next Board meeting. Once the Board adopts a preliminary budget, MMI will print and mail it to all homeowners for the required 30-day review. The mailing will include a meeting announcement for the community membership.

- General Budget Meeting attended by Property Manager

Your MMI Property Manager will attend and, if desired, present the budget to the homeowners for comment.

- Revisions Incorporated and Final Budget Provided to Owners

Any community suggestions will be considered for incorporation, where possible, and the Board will pass the final budget. Notice of the adoption of the budget and notice of any change in association dues will be mailed to all homeowners following adoption.

- Budget Incorporated into Accounting for Comparison Statement

The new budget will be entered into our accounting system to appear on budget comparison financial statements.

ONLINE SERVICES

- Yardi Voyager

MMI has invested in one of the most expensive and comprehensive ASP (online) accounting systems available to property management firms. This system, Yardi Voyager, has 15,000 implementations world-wide—that's testing and it's a testament to the quality of the system.

Voyager is an integrated accounting and database system that enjoys many functions of management into a single system. Property accounting is integrated with unit accounting. Owners' information such as address, phone numbers and email address are contained in the system and integrate into a maintenance management system.

Our manager's can see and modify data from anywhere they have an Internet connection. Data is housed in a secure database with multiple server farms around the world for redundant backup.

- SenEarthCo

Developed by a major management company to supplement their accounting software (which also happens to be Yardi,) this system is tagged, "A Management Company in a Box." There were multiple goals in the creation of SenEarthCo, not the least of which is to go green. SenEarthCo stand for Sensible Earth Company. This system is an online documents management system with segments reserved exclusively for management while other areas are available to homeowner and to the board of directors.

SenEarthCo gives the feel of a property software portal—a place where your residents can go to get forms, documents, general information and a snapshot of their account history. Owners can log onto this secure site to see their accounts, place work orders, monitor action on work orders, check the community calendar, view online newsletters, meeting minutes and agendas. As a management tool, the SenEarthCo community home screen features a timely manager's message and the system can be used to generate broadcast emails. Best of all, if owners allow us to provide their community notices electronically, you'll never pay for printing, office supplies, postage or administrative mailing costs again. If only half of your owners opt in, you'll save half the costs while the others will receive hard copies.

The board will receive management and financial reports via SenEarthCo where they can be printed or simply remain for future reference. The board can also upload documents, manage the calendar, produce online newsletters and view up-to-the-minute delinquency reports.

Management can use this powerful system as a call center management system by using the maintenance tracking functions and call logs. The manager can then follow-up by monitoring and acting on online requests without leaving the system and can store and access all kinds of documents from your governing docs (made searchable), to contracts and proposals, insurance policies and more. SenEarthCo also contains built-in functions for violations tracking and architectural changes.

Best of all, MMI includes a SenEarthCo site for your community in our base management fee—since the system helps us control time and costs, we pay for the system.

CONSULTATION

- Your Property Manager is Available to Your Liaison for Consultation

Our experience and our connections in the maintenance industry make us an invaluable source of information that is made available to you through a liaison or through email. We answer most email and voicemail within 24 hours.

- Guidance in Day-To-Day Operation of the Organization/Corporation

Your association is a business and must operate under the rules of condominiums or homeowners associations, as well as under business or corporate law. MMI will always endeavor to guide you to compliance so your actions are not left open to challenge and your community is safe from legal action.

- More Than 30 Years Real Estate and Home Improvement Experience

Few companies in the area boast that kind of longevity coupled with the vast experience in the two complementary fields of real estate and home improvement. Our experience extends from sales and rentals to rental and community association management and into small maintenance and total renovation of properties. We believe you won't take long to recognize the value this experience brings to the Board meeting table.

MAINTAIN ASSOCIATION FILES & RECORDS

- Well Organized Files Open for Appropriate Inspection

MMI will store your files and keep papers filed up-to-date. We provide two conference rooms, a 4-seat and an 8-seat, available for homeowners to visit and to view the records which, by law, must be open to your community members. These meeting rooms are also available for your community's committee meetings and Board meetings.

ARRANGE ANNUAL AUDIT & TAX RETURN PREPARATION

- Financial Reports Ready for Audit within 15 Days of Close of Year

We're always ready for an audit. Because we bind our monthly reports and include the entire record of financial management in each report, auditors generally visit and sit with the reports for a few hours. We can print any additional reports they require while they wait.

- Highly Organized Records Reduce Audit Cost

Most professional services are billed by the hour. Time and time again, auditors compliment us on the quality, accuracy and format of our financial record keeping. This saves time and time is money.

ANNUAL RESERVE SCHEDULE & RESERVE BANKING

- Capital Assets Listed; Funding Allocated

We are strong advocates of reserve funding. Our goal is to make sure everyone, particularly members of the Board of Directors, understands the importance of adequate reserves and how to determine what is adequate. If you have a reserve schedule, we will incorporate that schedule into our reporting. If you don't, we will help you develop one. Reserve funding is like retirement planning. If you fund your reserves early, the hardship of funding will be reduced and spread-out over a longer period. A reserve study should be performed at least every five years. We can help you interpret the study report and assist in developing the means to fund the reserve accounts.

- Deposits Made to Reserve Accounts as Instructed by Board

Either by budget or by direction of the Board, MMI will make deposits to and withdrawals from your reserve accounts. (We recommend that three board members be signatories on your reserve account with two signatures required on any check or withdrawal slip. Management should NEVER be a signatory on your reserves.)

- Periodic Review of Available Investment Accounts

When you have sufficient funds to warrant investment, we will seek information on the best investment vehicles for your money. We will report investment options based upon liquidity, investment return and risk. Of course, your Board will make the decisions before changes are made.

BID SOLICITATION & CONTRACTOR HIRING

- Bid Specifications Prepared

When you need pricing for a job or service, the first step is to accurately and completely define the service. Your MMI Property Manager will assist you in developing the bid specifications so all bidders are pricing the same work scope.

- Bid Solicitations Sent to Area Contractors

Through our industry contacts and our membership in the Community Associations Institute, we will find companies to bid on your work. We'll send enough invitations to ensure three competitive bids. We have no ties to these contractors (except our maintenance company, Market Ready, Inc.) and will gladly include your recommended contractors in the bidding process. All bids are considered closed and are never "shopped" unfairly to award the contract to a "friend"—that includes friends of the Board! We believe in honesty and fairness in all business dealings and full disclosure of any ownership or connections between management and bidders and between community members and bidders. When necessary, we will meet prospective bidders to tour the project before bids are prepared.

- Bids Analyzed and Compared for Ease of Selection

When bids are received, we will copy them for all Board members and, when feasible, compare them on a spreadsheet.

- License and Insurance Verified Before Contract Signed

No contractor should ever be hired without verification of and required licenses and insurance. There are more unlicensed, uninsured contractors than proper contractors. For your protection, we will make sure you are hiring only business people who follow proper business procedure. Anyone working on your property will have to demonstrate licensure, when applicable, and will have to have a proper insurance certificate issued to your community and to management BEFORE they work on the property.

SITE VISITS WITH WRITTEN REPORTS

- Site Visits Performed Weekly, Monthly or As You Desire

As with all services, time is a factor in pricing. But, different properties require different frequencies of site visits and that frequency may change. If, for example, your community has a problem with homeowner maintenance, you may require frequent visits until that problem is brought under control. You may or may not have Board member volunteers to conduct some or all of the inspections. MMI will respond to your needs and be flexible in the frequency and pricing should your needs change in the future. Our goal, like yours, is to visit only as often as necessary to ensure that the property is being maintained and that contractors are performing their duties.

What is a site visit? Sometimes referred to as inspections, these visits are intended to observe and report on those conditions readily visible including property maintenance needs, covenants and rules violations and contractor performance. These days, the word "inspection" carries far-reaching connotations and we simply renamed the process so the expectation is within the scope of our authority, expertise and licensure.

- Report Form Custom-Prepared for Your Community

For ease of inspection reporting and, more importantly, for ease of viewing and comparison by the Board, we will report your inspections on a form designed specifically for your community. This will make it easy to recognize that a condition has persisted through numerous inspections and requires special attention.

- Inspection Reports Written for Benefit of the Board; Digital Photos when Needed

A picture is worth a thousand words and no-one has time to read a thousand words. When a condition warrants, photos will be included with your reports. MMI has a 6-megapixel SLR camera and digital color laser printer so photos will be crisp.

- Association Benefits from Home Improvement Experience

Who better to inspect than someone who might have experience making repairs to the elements being inspected? Yes, we can even make the repairs and our prices are reasonable.

BOARD OF DIRECTORS MEETING ATTENDANCE

- Property Manager Assists in Agenda Preparation

Sometimes even the president needs a helping hand. If you need our help in preparing a meeting agenda, simply ask. If there is something we would like to see on the agenda, we'll be sure to let you know.

- Property Manager Available at Meeting for Input and Advice

Frequency of meeting attendance is optional, but with a minimum of quarterly meetings with management and the board. We bring to your meetings problems and solutions learned at the meetings of other associations and from information we read in industry publications. Our knowledge of community association law and corporation law is another plus.

OUR PRIMARY PURPOSE IS TO GUIDE THE PRESIDENT AND THE BOARD TO ASSURE LEGAL, PRODUCTIVE AND CONGENIAL MEETINGS

- Templates and Instructions are Provided

The president probably has a full-time job besides his/her duties as president. MMI provides templates for meeting agendas and will help prepare the agenda. Maryland law requires the agenda to be distributed, by mail or electronically, to all unit owners at least 10 days before the meeting. We handle that. We offer templates for common resolutions on collections policies, parking policies, meeting and elections policy and others and we offer templates for committee charters.

Board secretary is one of the most difficult slots to fill because no one wants to take the minutes. However, we find that most secretaries and boards want detailed minutes quoting almost everything said at the meeting. That is simply not necessary. Minutes are the official record of the business conducted at the meeting. As such, there is very limited content to the minutes. Our template will guide the secretary, with our assistance, to preparing legal, concise and brief minutes suitable for posting on the community website. All with little effort.

MAINTENANCE CALLS

- Office Staffed During Business Hours

Most Board members have day jobs. Your association is our day job. We're here during normal business hours to receive and deal with urgent association business.

- 24 Hour Emergency Response via Computerized Phone System

After hours, our phone system offers callers the option of tagging a message as an emergency. Emergency messages are relayed to on-call staff 24 hours a day.

- Toll Free Telephone Number

Out of town owners and traveling Board members can reach us via a toll-free number.

- Work Orders Recorded & Maintained Online

Maintenance orders are recorded in a maintenance tracking computer program. Once entered, work orders can be printed by date requested, by vendor and by status of the request (open, scheduled, completed).

- Homeowners May Place Online Work Order Requests

Online requests placed by homeowners are emailed to us and the homeowner can return to view the status of a request at any time, day or night.

- Jobs Placed with Appropriate Contractor/Vendor

Routine requests are handled according to pre-existing instructions. Non-routine matters are triaged and handled accordingly. Emergencies will be immediately placed with a contractor. Urgent situations may indicate a call to the president and non-urgent, non-routine matters are tracked for future action.

ANNUAL INSURANCE REVIEW

- Policy Cost and Terms Evaluated and Compared to Others

In recent years, property values have been escalating at an alarming rate. With that, insurance coverage needs a review. Here, our access to the MRIS gives us recent sales data which we can use to make a preliminary evaluation of insurance coverage.

- Policy Placed for Bid, When Indicated

Like any service, insurance can be put-out to bid periodically. We'll first help determine the amount and types of coverage desired and will solicit bids from insurers specializing in property of your type.

VIOLATION NOTICES TO OWNERS

- Notices from Management State Violation and Cite Bylaw/Rule

Generally, it is the Architectural Control Committee who directs management to issue violation notices. Occasionally, those notices result from an inspection by the property manager. In any case, the notices are written clearly and cite the appropriate bylaw or rule in violation so the homeowner understands the violation and how and when to comply. Software tracks notices and compliance dates.

- Follow-up Date Noted

The notices contain a follow-up date for either the Committee or the manager to re-inspect. When management is charged with the responsibility, the re-inspection will take place in a timely manner.

- Final Notice Sent

If the homeowner fails to comply, a final notice is sent, warning of action to be taken. If compliance is still not achieved, your MMI property manager will recommend the appropriate course of action to enforce the notice.

- Hearings and Legal Action Instituted (at Board Direction)

In the event there is a challenge, either in the form of a denial of the violation or of refusal to comply, MMI will be there for your Association. Homeowners are entitled to a hearing before the Board, at which management will be present. If legal action is required to enforce compliance, we'll be in court with your attorney to testify as to the condition, notices sent and all related communications, written or oral.

MAINTAIN ACTION LOG

- Printed System of Tracking Maintenance

Sometimes the number of outstanding tasks taken on by an Association Board becomes overwhelming. MMI has a system to help keep track of these tasks. We call it an Action Log. The log is maintained at Board meetings and records the date assigned, to whom, the nature of the task, and the projected completion date.

- Used to Track Property Manager Action Items

Yes, it can be used to track instructions given to your property manager, too. We're not afraid of a bit of accountability, so feel free to use it against us!

- Used to Track Volunteer/Board Member Action Items

Board members and volunteers sometimes need a reminder or two that they made a promise or commitment. The monthly review of the Action Log is an excellent way to remind them that a deadline is approaching or has passed without singling them out.

- Printed Monthly with Status of Each Task (Distributed at Board Meetings)

If your Association chooses to have management maintain an Action Log, it will be printed and furnished to each board member with a management report prior to each board meeting.

DISASTER MANAGEMENT

- Fire, Flooding and Storm Damage Management

MMI is experienced in dealing with the many facets of disaster management, including resident displacement, insurance and insurance adjuster communications, contractor selection and oversight and, most importantly, dissemination of information to those affected. We have handled the management of major fires and water damage ranging from \$5,000 to over \$1.5 million in damage, with from one to 32 displaced residents. We have coordinated both residential and commercial disasters. Should disaster strike your community, we will be ready to step in and coordinate the recovery process. We will also work with a designated representative of your community to prepare for disaster and the media attention that may follow.

EMPLOYEE SUPERVISION

- Association Employees under Management Supervision

If your association has employees, it is management's responsibility to provide a level of supervision. That level will vary with the employee's diligence, length of service and the nature of the job.

- Work Orders in Writing and Work Spot-Checked

Key to the success of an employee is a clear understanding of the job. Job descriptions will be prepared and supplemental work orders will be in writing. Work performed by the employee will be spot-checked for quality and completion.

- Work Habits and Ethics Reviewed

All employees should have periodic reviews for performance and evaluation. Employees perform best when complemented and compensated for outstanding performance. Those not exhibiting such performance should understand what is expected and what it will take to achieve the recognition and compensation desired.

- Discipline/Dismissals Administered

When all else fails, MMI will take on the task of disciplining or terminating an employee. Of course, that will create a vacancy which must be filled and MMI will oversee that process, too.

- Payroll Liability and Reporting

If the association chooses, MMI will place association employees on its payroll and thereby assume responsibility for payroll taxes, workers compensation and liability insurance. This will also relieve the association from filing W-2s, quarterly and annual reports. Wages are marked-up 45% and billed to the association as contract labor. To put that into perspective, the direct cost of payroll tax, liability insurance, workers compensation and related payroll expense can exceed 20%. Then, there is the risk assumed by us having YOUR employees considered to be OUR employees, not to mention the indirect cost of monitoring hours, monitoring job completion and performance and actually issuing payroll and payroll reports. While 45% may sound like a large markup, consider this: most home improvement companies mark-up their employees' hourly rates by 300% to 400%--and that gives them a shot at a 15% to 20% profit margin.