

**The dilemma...** You don't just wake up one day and become a board member; however, whether self or professionally managed, Boards have a fiduciary duty to meet the state's legal obligations. How they fulfill their obligations will either positively or negatively affect the resale values of their property in a competitive market.

**The solution...** Information is empowering! AAI provides Boards with the guidance and tools to help them make the most informed decisions in a timely manner. Our goal is to help each Association run efficiently—like the multi-million dollar corporation that it is—and with an eye to decrease risk of challenges to board decisions.

### **SUMMARY OF SERVICES**

*Eliminate confusion and save time effortlessly with our proactive services—while protecting and increasing your condominium or townhome investment! Proposals are customized based on the size of the property and number of services packaged together. Included here are: 1) Summary of Services; 2) Training Packages; 3) Retainer Packages; and, 4) Full Explanation of Services Offered.*

#### **HELPFUL SERVICES FOR THE START-UP, SELF-MANAGED OR EXISTING ASSOCIATION**

**Start-Up:** These services are designed to help a newly-formed association—whether new construction or conversion—during the often confusing developer turnover process in order to accurately manage the association and hold the developer accountable per the Illinois Condominium Property Act requirements.

- Developer Turnover-Step One/Document Analysis
- Developer Turnover-Step Two/Financial Analysis
- Developer Turnover-Step Three/Property Analysis
- Commercial Parcel(s) Relationship Review

**Management & Operations:** A newly-formed association is like starting a new business. AAI offers services designed to help newly-formed and/or self-managed associations effectively manage their properties or existing associations that may be uncertain as to whether protocols have been done correctly from their Start-Up.

- Board Training-Roles & Responsibilities
- Sample Management Forms
- Budget Review & Adoption
- Board/Annual Meetings & Minutes
- Maintenance Criteria & Vendor Selection
- Rules & Regulations Guidance
- Annual Calendar Development & Operations Manual
- Project Management

#### **HELPFUL SERVICES TO OBTAIN NEW OR CHANGE PROFESSIONAL MANAGEMENT**

**Professional Management:** AAI offers services designed to help a newly-formed, existing and/or self-managed association find the right management company to fit their specific needs and criteria. Proper selection saves the Association time, money and the inconvenience of future management searches and transitions.

- Needs Analysis, Criteria & RFP Design
- Interviews, Selection, Negotiations & Transition

**“A la Carte” Services often not included in management contracts:** These services are designed to help an existing association obtain services that may not be included in the management company's contract.

- Board Training-In Synergy w/Management Company
- Rules & Regulations Development
- Annual Calendar Development & Operations Manual
- Project Management

#### **HELPFUL SERVICES FOR THE DEVELOPER TO ENSURE A SMOOTH TURNOVER**

**Developer Management Training & Turnover Meeting:** Designed to help developers, these services will assist in adhering to their obligations to maintain and manage a property prior to Turnover—as per the Illinois Condominium Property Act—and to set efficient procedures in place to foster a smooth transition upon Turnover.

**Note:** AAI consists of two professionals, with over 35 combined years of experience in all aspects of property and project management. At no time should it be assumed that legal, financial, construction or engineering advice is based on licensing in these specific areas. AAI recommends that clients obtain the appropriate legal or specialty area opinions when deemed appropriate.

## **TRAINING PACKAGES FOR THE START-UP OR EXISTING ASSOCIATION**

*A common phrase amongst condo professionals is, “Most boards don’t know what they don’t know.” For this reason, AAI offers a list of Training Packages including Optional Services that can be added-on and customized, as applicable to each Association:*

**1. “Do-It-Yourself” Sample Management Forms & Guidelines:** AAI’s Sample Forms and “How To” guidelines are designed for those board members/owners who already understand the complexities and legalities of condo living, have read and understand their Association’s By-Laws/Declaration and the Illinois Condominium Property Act and would work more efficiently with proven, industry-standard forms, letters and templates. Also included are suggestions on how to “do-it-yourself” including, but may not be limited to: Developer Turnover, Management Transition, Maintenance & Operations, Administrative, Agendas & Minutes, Rules & Regs, Sale/Lease of Unit, etc. *Note: No consultation is provided unless packaged with a Board Training Session.*

**2. Customized Training Session:** AAI has designed this package for board members/owners who may have none, some or limited knowledge of condo protocols, and would like a better understanding of their specific Association’s By-Laws/Declaration and the Illinois Condominium Property Act. Training is customized specifically for each Association—whether self or professionally managed—and provides a “State of The Union” review.

- “Do-It-Yourself” Sample Management Forms & Guidelines—provided at 50% discounted fee
- Board Training-Roles & Responsibilities
- Meetings & Minutes Basics
- Budget/Financial Review & Guidance
- Rules & Regulations Review & Guidance
- One-Month “Management Coaching” Retainer @ No Charge to guide Board after Session

### **Optional Add-On Services (as applicable):**

- Developer Turnover- Initial Document/Financial/Property Review
- Commercial Parcel(s) Declaration-Review/Guidance
- Basic or Comprehensive “Management Coaching” Retainer Package for continued guidance

**3. Board Transition/Refresher Trainer Session:** AAI can design a shortened Refresher Training Session for past client associations highlighting key issues and bringing new board members up-to-speed.

## **RETAINER PACKAGES & ON-GOING GUIDANCE**

*Since 2002 and training over 100 clients, AAI has found that most Boards are empowered to act immediately after our Training; however, anything can happen in condo living requiring a Board to seek added, and often time-sensitive, consultation. Our “Management Coaching” retainer services are designed to provide our Boards with on-going education, guidance and confidence—regardless of the level of assistance required. And, “Association Allies” offers self-managed associations a team of partners to create efficiency and transparency at discounted rates. Boards no longer have to go it “alone!”*

**1. Management Coaching Retainers—Basic or Comprehensive Options:** The Basic Package answers general management/maintenance questions via email and/or phone and provides “How To” coaching guidance so the Board can be assured it is proceeding accurately and efficiently. It is designed to work with the Customized Training Package, but additionally provides cost-effective, on-going and timely management consultation to Boards on how to self-manage to meet the minimum state legal obligations without doing it “alone”; thereby, decreasing risk and board burnout while increasing efficiency and owner satisfaction. Monthly, quarterly or annual options are available. Services are customized to each client Association. Optional services and on-site meetings can be provided upon request.

**2. Association Allies... Partners for Simplified Self-Management:** This service is designed to work with the AAI “Management Coaching” retainer service, helping self-managed Boards to understand their unique needs and assembling the trusted team to meet them. Eliminate the trial and error of working with firms that do not provide the services they promise. We pre-qualify responsive, experienced and reliable *strategic partners* in the crucial areas of maintenance, financial and legal services. Then we help you work with those Partners, so you can expect an increased level of service, transparency and efficiency benefiting all owners and decreased time required by the Board. Special discounted pricing is negotiated for our AAI retainer clients. All Partner services are optional and are not contingent on each other. Absolutely no referral, commissions or other fees are involved among any of the parties. All discounts directly benefit client Associations!

## **FULL EXPLANATION OF SERVICES OFFERED:**

**Services can be selected individually or as a package, offering considerable cost-savings.**

### **START-UP/DEVELOPER TURNOVER—NEW CONSTRUCTION & CONVERSIONS:**

*The first board has the crucial task of ensuring that the developer has accurately met all Turnover obligations within a specific period of time. In addition, the first board will be instrumental in creating the Start-Up protocols that will set the tone for the condominium community for years to come. If not done efficiently upfront, associations often play catch-up in correcting past board missteps, sometimes missing key opportunities to have held the developer accountable instead of becoming an expense for the association.*

#### **Developer Turnover – Step One / Document Analysis**

AAI will assist the new association board in understanding the developer's obligations as they relate to the turnover process—and according to the Illinois Condominium Property Act. AAI will review all documents obtained from the developer and will provide a recommendation as to the level of compliance received by the developer and, if applicable, a list of missing items to assist the board in determining further action. At this point, the board can decide to have AAI proceed to Step Two, or proceed on their own.

#### **Developer Turnover – Step Two / Financial Analysis & Budget Review**

AAI will thoroughly review all financial statements (income and expenses) and invoices obtained from the developer—with an eye to identifying monies owed to the association. AAI can create a spreadsheet of pertinent information, including closing dates, assessments paid, reserve deposits received (owed), insurance deposits (if applicable), association vs. construction-related expenses, etc. This document will establish which amounts were paid (or are owed) by the developer and can determine for the board whether additional action is required. Additionally, AAI can work on behalf of the board to solicit from the developer any additional missing items (i.e., plans, easement agreements, insurance policies, contracts, etc.) and/or negotiate towards a mutual compromise. AAI can continue the process until: a) All funds owed from the developer are collected; or b) It is AAI's opinion that the developer will not comply—funds and/or services are due the association—and legal action may be required. This service may be combined with Phase One as the most cost effective approach.

In addition, AAI will review the initial developer Budget and, based on the financial review above, can provide an analysis on whether the current assessment amounts will meet the need of the association's actual operating expenses. It is not uncommon that a Budget Correction may need to be done by the first board shortly after Turnover to accurately reflect the true operating expenses and reserve requirements of a new association. AAI will provide a Budget Review and proper adoption protocols as required by the Illinois Condominium Property Act.

#### **Developer Turnover – Step Three / Property Analysis**

AAI, while not engineers, can assist the board in several aspects of facility requirements by the developer, as mandated by the Illinois Condominium Property Act, and to set realistic expectations on what may or may not be the developer's obligations to the board. These can include but are not limited to: a) Reviewing plans from developer to assist the board in better understanding the dynamics of their property; b) Determine serious and obvious defects; c) Guide the board in selection of an engineering firm to assist with a thorough "punch list" inspection of the property (if applicable); d) Create communications to developer re: defects and/or omissions; e) Assist the board in understanding and communicating with fire department on fire code violations (if applicable); f) Guide the board on proper timing as it relates to legal intervention, should it become necessary.

#### **Commercial Parcel(s)—Document & Relationship Review**

If the property is not solely made up of residential units and there are commercial parcels as well, then it must be determined whether those commercial parcels are or are not part of the association. Additionally, there may be a separate Declaration, Easement or Operating Agreement that describes the relationship between the residential and commercial parties including, but not limited to, the division of responsibility for insurance, maintenance, easements and certain shared expenses. It is important for the board to understand this relationship in order to create protocols to obtain reimbursements for the association and live harmoniously between the parties. If combined with Developer Turnover services, a financial review will be included to determine whether the developer may owe money to the association for commercial shared expenses.

**NOTE:** *In all aspects of Developer Turnover, AAI can begin the process by creating communications on behalf of the association to solicit the required developer materials as outlined in Section 18.2, ILCPA.*

## **MANAGEMENT & OPERATIONS:**

*Whether an association is professionally or self-managed, newly-formed or existing, it is important for the board to understand its fiduciary duties to the owners and proper protocols to efficiently and accurately manage the property and association. A board that does not follow condo law may open itself up to potential challenges of its decisions and possible legal implications. Our customized training is designed to educate the first-time homeowner and/or seasoned board member on the nuances of each specific association's Declaration & By-Laws with a goal of preventing challenges by conforming to industry standards.*

### **“Do-It-Yourself” Sample Management Forms & Guidelines**

These Sample Forms and “How To” guidelines are designed for those board members/owners who already understand the complexities and legalities of condo living, have read and understand their Association's By-Laws/Declaration and the Illinois Condominium Property Act and would work more efficiently by obtaining sample forms and suggestions on how to “do-it-yourself.” Sample forms and letters are provided either via email or on a CD in Microsoft Word or Excel format and are designed to be customized/per Association. Sample Forms include, but may not be limited to: Developer Turnover, Management Transition, Maintenance & Operations, Administrative, Agendas & Minutes, Annual Meetings, Rules & Regulations, Sale/Lease of Unit, etc.

*Note: No consultation is provided with this service unless packaged with a Board Training Session.*

### **Board Training – Roles & Responsibilities**

AAI will review all pertinent documents related to the property, including but not limited to Declaration, By-Laws, Property or Engineering Report (if applicable), insurance policy, rules and regulations, owner/board correspondence, and minutes of past meetings (if available). During a meeting of not less than three hour duration, AAI will review with the board members, all aspects pertinent to the proper management of the association. Based on 30 years of management experience, AAI will share practical management applications, using detailed and timely tips as they relate to the specific property dynamics, arming the board with the proper tools to efficiently manage their association. All aspects will be covered, including an overview of meetings, agendas, minutes, owner communication and other administrative requirements, financial and facility management of the property. For self-managed associations, outsourcing recommendations will be provided, as needed. For professionally managed associations, tips on how to work efficiently as a team with the manager will be provided, as needed.

Optional Add-On Services will also be covered during the Session and would add on approximately 1-2 hours onto the Training, as needed. A one-month “Management Coaching” off-site retainer will be included at no charge with a Training Package to guide the board on completing action items as determined during the Session.

### **Rules and Regulation Guidance and/or Development**

Rules and Regulations are not intended to prevent owners from enjoying their community, but should be designed to ensure that all owners are treated equally and they give the board the authority and direction to take action, when necessary. After performing a thorough review of the association documents, including but not limited to the Declaration, By-Laws, current rules and regulations (if applicable), any pertinent owner/board correspondence and minutes of past meetings, AAI will discuss with the board any current property and/or owner issues requiring the consideration of rules and regulations. AAI will provide the board with samples of Rules & Regulations for their consideration and will assist the board in all protocols for accurate rule adoption and enforcement—as per the Illinois Condominium Property Act—with the main goal to prevent future legal challenges and for efficient communication and convenience to owners.

For the busy board, as an added fee, AAI can develop the Rules & Regulations on behalf of the board, assembling the framework of a proposed draft for the board's review and approval.

### **Budget Review & Adoption**

Without a budget that accurately reflects the actual and anticipated annual expenses and reasonable reserves, an association's assessments may not be realistic, resulting in unanticipated financial shortfalls and special assessments. AAI can review the most recent budget, financials and expenses with an eye to determine if an immediate change is needed or if it can wait until the next Budget Process as outlined in the association's Declaration/By-Laws. Recommendations will be provided along with proper owner notification and meeting protocols to schedule, prepare, approve and adopt Budget as per the Illinois Condominium Property Act.

## **MANAGEMENT COACHING RETAINER SERVICES:**

*As an adjunct to the Customized Training Session, AAI offers retainer guidance with various payment options to “coach” the board on either an “as needed” or on-going consultation basis. **Highlighted benefits of these services include:** 1) Confidence to board knowing that it has a place to turn for answers; 2) Timely responsiveness by experienced consultants; 3) Protocols to manage efficiently and accurately; 4) Recommendations on how to meet the annual minimum board requirements per the Illinois Condominium Property Act; 5) Decreased risk and board burnout; 6) Increased efficiency, transparency & owner satisfaction.*

### **Basic Package—Monthly, Quarterly or Annual**

AAI will provide email and/or phone consultation to answer questions associated with the general management and maintenance of the property and action items as learned in the Training Session. A step-by-step “How To” list is currently in development on various management protocols, which work in conjunction with the Sample Management Forms. This retainer can be selected as either a monthly, quarterly or annual commitment. Optional services and on-site meetings can be provided upon request.

### **Comprehensive Package—Annual Retainer**

in addition to the services provided in the Basic Package, AAI may oversee many of the tasks that busy board members may not have time to perform. It is designed to provide cost effective, on-going and timely professional management consultation to Boards on how to effectively self-manage to meet the minimum state legal obligations; thereby, decreasing challenges to board decisions and increasing board’s ability to meet fiduciary duties. Practical guidance in all areas of administrative, financial and physical aspects of the property will be provided. Services are customized for each Association, and may include: Annual Calendar Development; Meeting Guidance; Agenda Preparation; Minutes Review; Annual Members Meeting Preparation & Oversight; Annual Budget Review & Adoption; Paid Assessment/Unit Sales Process Oversight; Proposal Review; Conflict Resolution w/Owners; etc. Monthly, quarterly or annual payment options are available.

### **ASSOCIATION ALLIES... Partners For Simplified Self-Management:**

*As an adjunct to the Management Coaching Annual Retainer, this service is designed to help self-managed Boards understand their unique needs and assemble the trusted team to meet them. Special discounted pricing is negotiated for our AAI clients. Services are customized to each Association’s budget and needs.*

***The concept is simple:** A trained board that receives guidance from professionals in the key property management infrastructure areas of Administrative, Financial and Physical provides efficiency for all parties, resulting in lower costs and increased services to your Association.*

Eliminate the trial and error of working with firms that do not provide the services they promise. We pre-qualify responsive, experienced and reliable *strategic partners* in the crucial areas of maintenance, financial and legal services. Then we help you work with those Partners, so you can expect an increased level of service, transparency and efficiency benefiting all owners and decreased time required by the Board. All Partner services are optional and are not contingent on each other. Partner discounts are provided to current AAI retainer clients or services may be contracted at Partner’s normal rates. Proposals will be provided by the applicable vendor partner to the Board for services they deem necessary. Contracts would be directly between Association and vendor, as requested. Absolutely no referral, commissions or other fees are involved among any of the parties. All discounts directly benefit client Associations!

**Highlighted services may include:** Practical management guidance and protocols; Assessment collection, bill payment & monthly reporting; Owner ledgers for collection proceedings & unit sales; Budget & Annual Meeting guidance; 24/7 Emergency response service; Property inspections, repairs & preventative maintenance; Loan & project management; Assistance with sales, leasing & move in/out procedures.

## **OPTIONAL ADD-ON SERVICES:**

*The following services can be added on an “as needed” basis for busy boards.*

### **Maintenance Criteria & Vendor Selection**

For those busy boards who don't have time to perform this service themselves, AAI can provide a complete review of the association property, addressing all aspects of the design, use, occupancy, amenities, common areas and exterior components. Working closely with a liaison board member, AAI will create a maintenance criteria spreadsheet recommending the specific services required—including schedule of efforts, from weekly, monthly to annual basis—to meet the expectations of the board and owners.

AAI can then assist the board in the proper selection of a maintenance vendor, using the Maintenance Criteria. Depending upon the size of the property and scope of services required, AAI will identify three qualified vendors, and solicit proposals for board selection. Once a decision is made by the board, AAI will complete the process through contract negotiations and implementation of services, including overall scheduling, supply purchasing, payment arrangements, and communication protocols so the building will be maintained effortlessly. Additional Vendor selection can include: legal, financial, insurance, snow plowing, landscaping, roof/gutter or asphalt/concrete maintenance, plumbing, tuckpointing, and general troubleshooting/handyman services.

### **Operations Manual**

AAI can create for the new or self-managed board, a manual which will contain the maintenance criteria, scope of work, schedules, vendors information, emergency procedures, owner's roster and other pertinent information to accurately and efficiently assist the board in properly managing their property.

### **Project Management**

AAI is best suited to assist the self-managed property or busy management company in handling time-consuming projects frequently left unattended. Beginning with the scope of work, AAI will first identify the client's anticipation, create the criteria, solicit proposals based on clear and concise information, prepare comparison charts for client's review to assist in making an informed vendor selection. AAI can further this service by negotiating the contract, overseeing owner communication for project setup, detail scheduling, monitor vendor cleanup and insure completion. All aspects are with board or property manager notification through to last payout.

### **Construction Loan Guidance**

AAI can oversee and guide the Board through the confusing and time consuming process of obtaining a loan and understanding the protocols to follow to ensure compliance with the Association's governing documents and ICPA.

### **OBTAINING NEW OR CHANGING EXISTING PROFESSIONAL MANAGEMENT:**

*We have found that one of the biggest complaints from boards and owners about their existing management company is a difference between the association's expectations and the services provided. Many of the issues can be dealt with proactively by having a clear understanding of the board/owner's needs and expectations upfront, the required due diligence in researching various candidates, and ensuring that the right management company will be hired that is capable of meeting those expectations within budget. AAI can also provide third-party consultation until a new management company is in place to fill a gap between management companies when the board may have few places to turn for guidance.*

### **Needs Analysis, Criteria & Request For Proposal (RFP) Design**

AAI will assist the board in determining the criteria best suited for the professional management of the property. All aspects of the board and owners' expectations, building design, and property requirements will be considered. Armed with the Management Criteria, AAI will customize a Request For Proposal (RFP) specific to the needs of the association in order to compare companies equally. The board will be in a position to solicit thorough proposals from qualified and reputable management companies to make an informed decision or can hire AAI to perform the Pre-Qualification, Interviews, Selection & Transition phase.

### **Pre-Qualification, Interviews, Selection & Transition**

To shorten the time-consuming process, AAI will solicit a minimum of three pre-qualified proposals based on the agreed upon Management Criteria and will oversee the interviewing process in conjunction with the board or designated committee. AAI will assist the board in analyzing all candidates on an equal comparison basis to help it fulfill their responsibility to make the most informed decision. Once a selection is made by the board, AAI can make recommendations for contract negotiations prior to legal review to ensure all service expectations are included and can act as liaison between all transitioning parties with an eye towards a smooth, timely and successful transition.

## **ADD-ON SERVICES TO EXISTING MANAGEMENT COMPANY CONTRACTS:**

*AAI can be an extension of a management company offering many time-consuming, proactive services in conjunction to the management team. This can be especially helpful during a time of transition from developer or existing management and when many projects and action items are pending, requiring immediate attention. Customized training programs for managers and company protocols also available.*

### **Board Training – In Synergy with Management Companies**

Basically, the same efforts as performed for the New or Self-Managed Board, AAI will customize the training services on behalf of a management company to synchronize the expectations of both their client association and the manager—benefitting both parties. This training—especially helpful for the newly-hired management company and/or annual board transitions—can save the manager time, improve communication from board members to property manager, increase owner satisfaction and ensure efficient and timely operations.

### **Operations Manual**

AAI can create for the new, self-managed or existing board, a manual which will contain the criteria, scope of work, schedules, vendors information, emergency procedures, owner's roster and other pertinent information to accurately and efficiently assist the board in properly managing their property.

### **Operations Manual-Annual Calendar**

As an adjunct to the Operations Manual service, AAI can extend the board/management's efficiencies by creating an annual calendar for long-term planning that will contain dates, protocols for renewing contracts, board/annual meeting schedules with preliminary processes scheduled accordingly (including proxies, owner notifications, ballots, etc.), insurance renewal requirements and all necessary information to further guide the current and future boards to an efficient and smooth running association. Proactive planning avoids reactive or "crisis" management.

### **Project Management & Loan Management**

AAI is best suited to assist the self-managed property or busy management company in handling time-consuming projects frequently left unattended and loan options. Beginning with the scope of work, AAI will first identify the client's anticipation, create the criteria, solicit proposals based on clear and concise information, prepare comparison charts for client's review to assist in making an informed vendor selection. AAI can further this service by negotiating the contract(s), overseeing owner communication for project setup, detail scheduling, monitor vendor cleanup and ensure completion. All aspects are with board or property manager notification through to last payout.

### **Rules and Regulation Development**

After performing a thorough review of the association documents, including but not limited to the Declaration, By-Laws, current rules and regulations (if applicable), any pertinent owner/board correspondence, property design and minutes of past meetings, AAI can assemble the framework of proposed rules and regulations for the board's review and approval. AAI will assist the board in all protocols for accurate rule adoption and enforcement—as per the Illinois Condominium Property Act—with the main goal to prevent future legal challenges and for efficient communication and convenience to owners.

## **SERVICES FOR DEVELOPERS TO ENSURE SMOOTH TURNOVER:**

*AAI can provide recommendations on Turnover compliance and increased owner satisfaction.*

### **Developer Management Training**

AAI can be hired by the developer to train a designated staff person on how to properly maintain and manage the new construction or conversion project—prior to Turnover. With an eye towards a smooth and amicable Turnover to the association, AAI will assist the developer-assigned property manager on how to properly separate association vs. construction expenses, create accurate financial records, and implement efficient procedures to maintain the property for the occupied units. An emphasis will include the developer's obligations—as per the Illinois Condominium Property Act—and the property's pertinent documents (i.e., Declaration, By-Laws, Property/Engineering Report, etc.)—the main goal is to prevent future legal disputes after Turnover.

### **Developer Turnover & Meeting**

AAI can be hired by the developer to assemble and review all documents prior to Turnover to ensure everything is properly in order. In addition, AAI can run the Turnover meeting to ensure all proper procedures are followed as per the Illinois Condominium Property Act. The main goal is to ensure all proper protocols are being followed and to foster good will with the association—increasing the positive reputation of the developer and preventing any potential legal disputes often common after Turnover.