

Seven Tips to Avoid Contract Issues

You've been there before. You meet with a vendor, they seem like a great choice, and then after a month or so, you find yourself in a dispute.

It's a cycle that repeats over and over, but contract disputes don't have to be a necessary evil of business. If you remember these tips, you'll enjoy a hassle-free relationship with all of your vendors.

1. Start right.

The most important thing you can do is start with the right vendor in the first place. If your selection turns out to be a bad fit, it doesn't matter how clear the contract is. So be sure that you're only considering companies that are properly licensed, bonded and insured. Check with your local Chamber of Commerce or the Better Business Bureau to find out more about the company. And if you know a community management company, ask them to make a recommendation – the best firms have a database of proven vendors.

FirstService Residential Unveils New Elements of Living Blog!

elements OF LIVING

As part of our mission to enhance the lives of our residents, board members, and our associates--we've launched a magazine-style blog called The Elements of Living. Here you will find a wealth of resources... beautiful décor to reflect your personality, creative ideas to nurture your loved ones, calming organization to reduce stress, green solutions to sustain the environment, healthy tips for optimal wellness, and much more. Visit the blog at www.theelementsofliving.com

2. Get it all in writing.

Sounds obvious, right? But sometimes, after a contract is complete, additional services or requirements can be discussed informally with the assumption that things are "understood." Make no mistake: there is no understanding beyond what's printed in black and white on the contract. As such, it's good to demand that you see it all in writing, no matter what stage of the process you're in – even if you're poised to sign, pen in hand.

3. Don't be afraid to ask questions.

There are no stupid questions. However, you'll feel plenty silly if you've made an assumption about your contract because you didn't understand some of the terminology. Don't hesitate to get clarification. Contract language can be dense and hard to understand for the layperson.

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4. Review it with your committee or board.

Nobody should have to go it alone. When you have a contract in hand, review it along with your fellow committee members or association board members. You never know if someone on your team has experience or insight into this area, so it's best to open it up to a wider range of expertise.

5. Bring in an expert.

Are you a contract analysis professional? Chances are, the answer is "no." There's nothing wrong with that. However, knowing how important a clear contract can be, and how essential it is to the wellbeing of your association, may compel you to seek the expertise of a professional. Don't be afraid to share the contract with your attorney, your insurance professional or your accountant (or all three) before it's time to sign. This small extra step could save you big trouble later on.

6. Talk to former customers.

Let's be real: The only truly honest way to get to know a company is to talk to some of their former clients. Build some extra time into your approval process so you can speak to some former and current customers of the vendor you're considering. They will give you the unvarnished truth of the company – and let you know if they're the type of company that adheres to a contract as written, or as imagined. It's a big difference.

7. Know the endgame.

As part of a board or committee, chances are you're simultaneously juggling multiple contracts by multiple vendors. That may make it tricky to tell when certain arrangements are expiring, and what the conditions of those expirations may be. Make sure you create a master calendar of all vendor contracts so you know when to begin renegotiations. After all, if you start to collect new bids before your current contract expires, it puts you in a far stronger negotiating position. And that translates to lower costs for your association.

Contracts are more than words on a page. They define how you will interact with your vendor, and what kind of service your residents receive. For more insight on how to avoid contract disputes with your vendors, contact FirstService Residential today.

Monsoon Preparedness



The Arizona summer monsoon season, while incredibly magnificent and beautiful, can produce heavy rainfall, strong gusts of wind, and even dangerous mud slides. Towards the end of June, we start to see more activity in our weather as the low pressure from the desert heat yield storms with substantial rainfall. Arizona communities need to be prepared for this nearing monsoon season by ensuring that all storm drainage systems are clean and free of any clogs or debris. Your trained community manager should be monitoring the state of your storm drainage systems and working with your licensed professional vendor to include dry well maintenance, culvert cleaning, tank cleaning, and removal of all debris. For condominium and townhome communities, it is crucial that the rooftops be cleared of all debris to guarantee that the scuppers and rain gutters drain efficiently. By ensuring that the appropriate maintenance has been completed prior to our Arizona monsoons, your community will be set up for success when the flood rains fall.



Five Reasons Board Members Go Back to School

You've just been elected to your Homeowners Association Board. Congratulations! Now you can celebrate... with some time back in the classroom. Continuing education is vital to becoming an effective board member. But before you start dreading all that homework (though there isn't much), pause for a moment to consider the advantages that education will give you.

Ready to go back to class? Here's why you should be.

1. You've never done a job like this before.

You've probably got a wealth of professional and personal experience that qualifies you for your role as a board member. That's probably what got you elected in the first place. However, any experienced board member will tell you that this is a job like no other. It comes with challenges that you just can't experience anywhere else. Besides, there's also an extensive list of regulations, rules and laws you should be familiar with as well (which means even experienced board members should hit the books every once in awhile to stay current).

2. You've got a big responsibility.

Board membership is bigger than your position. You have a fiduciary obligation to what could be a multi-million dollar organization. That means the decisions you make need to be based on a solid foundation of knowledge. Yes, your character will serve you well, but you'll need to complement that with a complete understanding of the inner workings of what makes a homeowners association thrive.

3. You'll meet the right people.

A good property management company will offer board member classes that do more than educate. They'll also serve as opportunities to meet important professionals you'll need to interact with on a regular basis. Many of these individuals – attorneys, insurance professionals, accountants, landscapers and more – represent vendor

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Five Reasons Board Members Go Back to School

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groups that you'll be interacting with on a regular basis. Talking to these individuals can give you the chance to learn more about their professions, and how they affect your community.

4. It's usually free.

With the support of an experienced community manager, you should be able to find free classes and seminars. Many of these are offered in the evenings, so they're easier to fit into your schedule. And for the most part, they're held at locations that are pretty convenient, too. When you think about it, it makes sense – the best community management companies want to partner with you for your success, so they'll dedicate themselves to helping you find the right kind of educational opportunities.

5. It's right for your community.

This is the whole reason you became a board member, right? Doing good for your community is something you care about. Learning more about your role as a board member will give you the tools to do just that. So, in a way, participating in educational opportunities isn't just good for you, it's good for your entire community.

Knowledgeable board members help make strong communities, and that happens through education. To find out more, contact FirstService Residential.



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Pool Safety

By David Aspiras | Director Account Services

Swimming is one of the best activities of summer, but it could easily turn into a disaster for your neighborhood. If your community has a swimming pool, review these tips to keep your residents safe while they enjoy the cool pool on a hot summer day.

Monitor Children

If your community does not employ a lifeguard or other certified staff monitoring the pool, ensure parents and guardians understand they must be present to monitor children and guests in the pool. If you do staff lifeguards, always have someone there when the pool is open. During busy times, you may need multiple lifeguards to safely monitor all guests.

Educate Staff on Life Saving Techniques

Swimmers rely on lifeguards to help them in case of an emergency, so train your staff in CPR, first aid, and emergency response with the most current techniques. Consider offering and sponsoring community programs that teach CPR and first aid to staff and residents to ensure everyone knows how to save a life.

Offer Swimming Lessons and Safety

Another great neighborhood service to provide to your community residents are swimming lessons. Promote the advantages of learning to swim and offer them in your very own community swimming pool to make it easy for families to register. When you know how to swim, the risk of drowning is reduced significantly.

Establish and Enforce Rules

Create safety rules for your community swimming pool, such as no diving, running, and swim with a buddy. Post the rules in the pool and on the community website where homeowners and guests can clearly understand what can and cannot be done. If nothing else, ensure that those rules and regulations for the pool are enforced on a consistent basis in order to ensure everyone's safety.

Follow Pool Enclosure Requirements

Surround the pool with a secure wall, fence, and/or barrier that is at least 6-feet high. The enclosure must be at least 20 inches from the water's edge. The gate for the enclosure must open outward from the pool and must be self-closing and self-latching. Ensure that you can place a lock on the gate, so the pool can be locked when it is not open or operational and prevents people from entering after pool hours. For additional information, please review the Arizona Revised Statute #36-1681.

Keep the Pool Clean, Operating and Equipped

The maintenance of the pool and its equipment is crucial, especially during the hot summer months. Inspect all safety equipment, such as covers and reaching poles to ensure that everything is in operating condition. Keep it clean and ensure that the chemical levels are appropriate for the season. In addition, ensure that you, your family and guests are healthy. The last thing you need is to have someone contract a virus when it could've easily been avoided by taking the necessary precautions.

Don't put your residents at risk. If your community follows these tips, everyone will be able to minimize the risk of injury or drowning and enjoy the pool on a scorching summer day.

Welcome to the FirstService Family!

Parkwood East II Community Association

The Parkwood East II community is located in Mesa near W Southern Ave & S Meridian Road. Parkwood East II is a tucked away community that offers its residents a tot lot, quiet streets and a large green belt for an afternoon game of football. This family-oriented neighborhood boasts a real sense of community!

Ikon Hayfield Condominium Association

The Ikon Hayfield condo community is located at 1295 N Ash Street in Gilbert. This unique community offers its residents a luxurious pool and spa, a community clubhouse, state-of-the-art fitness center, and BBQ grills. This family-friendly community is truly a place to call home!

El Pedrigal-Mesa Homeowners' Association

The El Pedrigal community is located in Mesa near W Rio Salado Parkway and N Alma School Road. This private gated community offers its residents a green belt and picturesque landscaping that is maintained by the Association. A perfect community for any family who is looking for a maintenance-free style of living!

Rancho Reyes II Community Association, Inc.

Rancho Reyes II is a community of 177 single-family residences located on the south side of Tucson. This popular community is made up of equal parts young families and retirees, and boasts strong re-sale demand. Rancho Reyes II is conveniently located near the Tucson Airport, David Monthan Air Force Base and many of Southern Arizona's largest employers.



“We Didn’t Know!”

By Andrew Way | Senior Vice President

In the state of Arizona there are more communities that are self-managed than there are that are managed by professional management companies. Often these volunteer Boards of Directors, in addition to handling ‘board business’, are involved in the day-to-day operations of their homeowners association. Tired of taking care of the pool, collecting past due assessments from their neighbors and overseeing the landscape company, they become overwhelmed. When this happens, as it often does, they call a management company and many of those initial conversations can be quite entertaining.

Management Company - “Have you filed a compilation, review or audit this year?”

Board Members - “What’s that?”

Management Company - “Oh, it’s required by ARS 33-1810. It’s a law, been in effect three or four years now”

Board Members - “We didn’t know”

Management Company - “How ‘bout the Arizona Corporation Commission Annual Renewal? Wait a minute, don’t answer that, I see your association was administratively dissolved last year...”

Board Members - “We didn’t know”

Management Company - “Okay, how about rules and regulations? Do you have policies in place with regard to CC&R Enforcement?”

Board Members - “Mostly just parking. We’re all over that. Most of the other stuff we just let slide.”

Management Company - “So, if it’s a parking issue you enforce and all of the other provisions of your governing documents you let slide. That’s a problem...you’re leaving yourself open for a lawsuit.”

Board Members - “We....didn’t....know”

Management Company - “I guess I shouldn’t even ask about accounts receivable, profit & loss statements and balance sheets, should I?”

Board Members - Board Member # 1 - “Now wait a minute... that we are doing. Lou handles all of that”. Board Member # 2 - “You didn’t hear? Lou just quit”

I think you get the point. All homeowner associations in the State of Arizona are corporations, and as such, need to be run like a regular for-profit corporation. The Covenants, Conditions and Restrictions (CC&R’s) of each community are a contract between the members (the homeowners) and the association. In fact, when an attorney files a lawsuit on behalf of the association against a homeowner for failure to pay assessments it is a breach of contract lawsuit. And just like the Boards of Directors of major corporations, the local Homeowner Association Board of Directors has liability if the corporation is not run correctly.

But all ‘professional’ management companies are not alike and not all bring the same resources to the table. I merged my 10-year old HOA management company, Y Cross Management Group with FirstService Residential in October 2014. And I must confess, I didn’t know what I didn’t know. From new state of the art HOA management software, high tech websites with multiple payment options for homeowners, to ‘best practices’ gleaned from managing thousands of communities across North America, I simply did not know what could be. Now our local boards are receiving more comprehensive board packets, a new CC&R enforcement platform and a 24/7 Customer Care Center. Our employees enjoy direct deposit of payroll checks, support from a human resources department, standard operating procedures manuals and enhanced industry training.

I thought we had something to offer to the self-managed community, or any community. I thought we provided a valuable service to our clients. With FirstService I now see that so much more is possible. Not only can we meet the bare legal requirements of managing your community, we can provide enhanced service that makes a difference each and every day in the lives of the communities we serve.



FirstService
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2015 FirstService Residential Arizona CONFERENCE & EXPOSITION

Connecting Local Communities With Local Resources

At FirstService Residential, we're very proud to be part of an industry that positively impacts the lives of so many Arizona residents. That is why we created our annual Conference & Exposition. By bringing the industry's best and brightest together, we can do even more to enhance the lives of our residents and our valued partners.



When: October 23, 2015

Where: Thunderbird School of Global Management
1 Global Place
Glendale, AZ 85306

Time:	12:00 PM	Open Registration Begins
	12:00 - 6:00 PM	Exhibitor Hall Open
	6:00 - 8:00 PM	Cocktail Hour

We are shaking things up this year! Our guests can look forward to:

Interactive Demonstrations
Raffle Prizes Every 10 Minutes

Educational Seminars
Cocktail Reception

**Register by September 23rd to receive additional entries
into the Grand Prize Drawing!**

Register Now at fsrexpo.az@fsresidential.com



Water Conservation

By Any Ferrell | Vice President

In the news, we have read and learned about current drought conditions occurring in California and the resulting effects on families, communities and the farming industry. In July 2014, California's legislature passed Assembly Bill 2100, an urgency bill that went into effect immediately upon the governor's signature, prohibiting an association from imposing a fine or assessment against a unit or lot owner for reducing or eliminating watering of vegetation or lawns during any period for which the governor or a local agency has declared a state or local emergency (respectively) due to drought. On April 1st of this year, California governor Jerry Brown issued an executive order that requires cities and towns to cut 25% of water use (excluding agriculture) to save an estimated 1.5 million acre feet of water over the next 9 months.

While these bills do not impact Arizona, it is important to understand the impact of droughts, water conservation and how we can impact the future of our state's most precious resource. According to the Arizona Water Department of Resources, May 2015 was relatively wet particularly in the southwest deserts. Yet, while rainfall has increased the amount of grasses, and contributed to GreenUp (to adopt environmentally friendly practices), it has not significantly improved the drought conditions. This rainfall was not sufficient to overcome the deficits that have accumulated since the beginning of the year in terms of water resources.

Scientists and engineers continue to predict the impact of drought conditions in the western United States. Many of our communities have implemented multiple ways to reduce water consumption and implemented sustainable landscape management practices. As a community, there are multiple ways to consider water conservation methods, including:

- Removal of grass areas
- Replacement with drought tolerant trees and shrubs
- Study and review options for a centralized irrigation system



- Install low flow toilets in common area restrooms
- Install faucet aerators and low flow shower heads
- Consider installing new water-saving pool filters
- Educate residents on how to implement water conservation in their gardens and homes

There are incredible resources online to help a community achieve water conservation along with many industry partners. Landscapers undergo continuous training on the best irrigation systems and sustainable landscape management practices. This year, one of our industry partners presented a program to our managers to educate us on sustainable landscape management practices. In addition, communities can assist in implementing education for homeowners through newsletter articles, e-blasts or linking to websites that provide information on water conservation. One such website is wateruseitwisely.com. The site provides great resources for homes, kids and general information on how you can conserve water.

Even one small act can impact the tide of our future. As part of your 2016 budget process, consider how you can impact your community by applying water management programs to help conserve and preserve a precious resource.

Lemony White Chocolate Cheesecake Recipe

TOTAL TIME: Prep: 30 min. Bake: 65 min. + chilling

MAKES: 12 servings

INGREDIENTS:

1-1/4 cups all-purpose flour
1 tsp. grated lemon peel

2 tbsp. confectioners' sugar
1/2 cup cold butter, cubed

FILLING:

4 pkgs. (8 oz. each) cream cheese, softened
10 oz. white baking chocolate, melted & cooled
2 tbsp. heavy whipping cream
2 tsp. grated lemon peel
4 eggs, lightly beaten

1-1/4 cups sugar
2 tbsp. all-purpose flour
2 tbsp. lemon juice
2 tsp. vanilla extract

White baking chocolate curls and lemon peel strips, optional



Courtesy of Taste of Home, April/May 2008, p41

DIRECTIONS:

1. Preheat oven to 325°. Place a 9-in. springform pan on a double thickness of heavy-duty foil (about 18 in. square). Securely wrap foil around pan; set aside.
2. In a small bowl, combine flour, confectioners' sugar and peel; cut in butter until crumbly. Press onto the bottom and 1 in. up the sides of prepared pan. Place on a baking sheet. Bake 25-30 minutes or until golden brown. Cool on a wire rack.
3. In a large bowl, beat cream cheese and sugar until smooth. Beat in white chocolate, flour, cream, lemon juice, lemon peel and vanilla. Add eggs; beat on low speed just until combined. Pour into crust.
4. Place pan in a large baking pan; add 1 in. of hot water to larger pan. Bake 65-85 minutes or until center is just set and top appears dull.
5. Remove pan from water bath. Cool on a wire rack 10 minutes. Carefully run a knife around edge of pan to loosen; cool 1 hour. Refrigerate overnight. Remove sides of pan. Garnish with white chocolate and lemon peel if desired.

FREEZE OPTION:

Wrap individual portions of cheesecake in plastic wrap and place in a resealable plastic freezer bag. Seal bag and freeze for future use. To use, thaw completely in the refrigerator.

2015 FirstService Residential Arizona Conference and Vendor Exposition

When: October 23rd 2015

**Where: Thunderbird Executive Inn and Conference Center home of the Thunderbird School of Global Management
15249 N. 59th Avenue Glendale, AZ 85306**

Please come and join us for our 2nd Conference and Vendor Exposition!

High quality HOA board member training and valued vendor partnerships are two things that set FirstService Residential Arizona apart from competitors. We are always looking for unique ways to keep our clients and potential clients informed in all things HOA. From the latest environmentally friendly landscaping and paving techniques to laws recently passed that will impact HOA communities, our board members need to be in the know!

This is what led us to host our first ever Conference and Vendor Exposition in 2014. This exposition allowed us to bring our valued partners together with our valued clients and potential clients in an environment that fostered learning and exploration. And we hope to recreate that experience this year.

Our second Conference and Vendor Exposition will give board members from all parts of the state an opportunity to come and meet vendors face to face, see demonstrations of new products and the latest technologies for all things HOA management and participate in onsite training designed specifically for HOA board members. There will be fun too of course with snacks, raffle prizes awarded throughout the event and a cocktail reception.

We chose Thunderbird Executive Inn and Suites to host our event this year because of what this facility means to the state of Arizona. This facility was built on the Thunderbird Field, originally an airbase used to train Chinese, Canadian, British and American pilots in World War II. Now this facility is known as one of the leaders in Global Management education.

If you are an HOA board member we encourage you to join us and bring your fellow board members as well. The more the merrier!

For questions about this event please call Heidi Hallquist - Marketing Manager for FirstService Residential Arizona at 480-551-4213. You can also email questions to heidi.hallquist@fsresidential.com.



CAI - We support you!

An interview with Jason Proudfit | President of FirstService Residential Arizona

Tenured, educated managers are one of the most precious resources we have at FirstService Residential! For this reason, we have chosen to support CAI (Community Associations Institute). CAI is a global organization dedicated to building better communities and providing highly respected education to community managers all over the world!

Why is education so important to you Mr. Proudfit?

One of the most common complaints from professionally managed communities is inconsistency in management practices and manager turnover. We address this issue by ensuring that each of our community managers have access to the highest quality educational courses available. Providing this education for our community managers accomplishes two things. **1.** It assures that each community manager in the FirstService Residential family will manage their communities according to the same best practices and standards **2.** It lowers manager turnover as we invest in our people. Great companies know that human capital is critical to long term success and investing in education and training creates loyal managers who will stay with the company much longer than the industry average.

There are other options for community management education. Why do you choose CAI?

Consistency is key! The fact that CAI teaches the same fundamentals in Arizona as they do in Illinois is a huge plus not only for our board members but also for our community managers. The investment managers make in educational designations with CAI travels with them throughout their careers and across state lines.

Does CAI cater only to community managers?

No - that's another thing we love about CAI. It's the only international organization that provides a series of educational courses designed specifically for those who serve on an HOA Board of Directors, as well as individual homeowners who live in communities that are professionally managed. Those who serve on an HOA Board of Directors do so on a voluntary basis. This means the time and energy they put in to making their communities run smoothly is of exceptional value to us. The fact that these courses exist and are tailored specifically to our board members needs is one of the main reasons we support CAI!

Is there anything else you would like Arizona's HOA communities to know about CAI?

I would just encourage anyone who volunteers on their board or is in any other way associated with the HOA industry to get involved with CAI. It is well worth the investment!



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