

**East Coast  
Management & Consulting Services, Inc.**

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By Email to: Neena.porter@gmail.com

October 14, 2019

Neena Porter  
Twinbrook at Mount Air Homeowners Association  
Lorton, VA 22079

Dear Ms. Porter,

Thank you for providing EAST COAST MANAGEMENT with the opportunity to submit a proposal to provide financial management services to Twinbrook at Mount Air HOA. We believe that EAST COAST MANAGEMENT will provides, high-quality, cost-effective services and look forward to serving your community.

EAST COAST MANAGEMENT is located in Springfield, Virginia. We believe our relatively small size and attention to detail are significant advantages. We have the flexibility to tailor our management programs to the specific needs of our clients. Resident's calling our office get a real person with answers on the phone. No receptionist that may not even know the names of all the clients.

Attached is our proposal to provide financial management services. **Our price is \$4,000 per year.** This includes quarterly collection of assessments and the other services described in the attached proposal. We include assistance with procuring bids and any other "management" services requested as part of our financial services package at no extra charge. We charge only for direct expenses, meeting attendance and writing letters to owners.

We can not provide a price for architectural inspections at this time. We currently do not provide this service for financial services only clients. The cost to do so will depend on our level of involvement during the inspection and after letters have been sent.

Thank you again for the opportunity to submit this proposal.

Sincerely,  
EAST COAST MANAGEMENT & CONSULTING

By:   
Kenneth R. Eiriksson, President

# Proposal for Management Services

to

## Twinbrook at Mount Air Homeowners Association

Prepared by:  
East Coast Management & Consulting Services  
October 14, 2019

## Introduction

EAST COAST MANAGEMENT is a community management company located in Springfield, Virginia. We are exclusively devoted to providing financial and management services to community associations in the Northern Virginia area. **We do not sell or rent real estate, work with developers, or manage commercial properties or apartments.** We are bonded and are members of the Community Association's Institute (CAI). Many of the full-time employees of EAST COAST MANAGEMENT have been active in the property management business since 1987 and several of our clients have been with us for more than 20 years.

EAST COAST MANAGEMENT currently manages 24 communities with over 3,000 individual units and budgets exceeding \$7 million. We are financially sound with a reputation for excellence, innovation and attention to detail. We have a staff of three full-time and one part-time employees and have successfully participated in over 50 management transitions.

We believe that one of the most common characteristics of successfully managed communities is a responsive professional community manager that constantly provides leadership, guidance and innovative ideas to the Board of Directors. We have learned over the years to provide these qualities while recognizing that it is ultimately the Board of Directors that determines the course of action in a community.

A quality management company of any size can make a significant difference in the operation and appearance of your community. We hope you will give this proposal your serious consideration and we look forward to providing your Association with many years of high quality service.

## Financial Management

- **Computer Systems** - EAST COAST MANAGEMENT utilizes an internet based computer network for its financial and administrative systems. Our file server has processor and storage capabilities that should serve our needs well into the 21st century. Our Accounts Receivable, Financial Statement and Database Management programs are state of the art and were developed specifically for community association management companies. Data backup and safeguarding are important issues that have been appropriately considered.
- **Accounts Payable** - All invoices are reviewed for accuracy by the Property Manager and the Accounts Payable Manager. Individual files are maintained for most vendors. This reduces the possibility of duplicate or incorrect payments and facilitates research for the budget process. Files are purged annually and boxed for the Association's auditors. File boxes are maintained at our office for at least one year and then sent to the site office or to storage. All payables checks are manually signed by two EAST COAST MANAGEMENT employees. We do not use signature stamps for any reason. In addition, each client has its own separate bank accounts. We do not co-mingle your funds with those of our other clients.
- **Accounts Receivable** - Assessments and other income are processed through a lockbox in Phoenix, Arizona and/or through our office in Springfield. This ensures timely and accurate deposit of the Association's funds into an interest bearing operating account. We will make deposits at least twice per week until the due date and at least once per week after that. We offer direct debit to owners that are interested.
- **Delinquency Monitoring** - Computer generated delinquency letters are mailed immediately after the end of the grace period. Additional reminder and warning letters are prepared in accordance with the collections policy of the Association. Typically a second notice is sent near the end of the month and the account is turned over to the Association's attorney after it is 75 days delinquent. **There is no additional charge for our involvement in collection efforts by the Association's attorney.** If appropriate, we will provide suggestions to the Board of Directors regarding alternative collection methods. We have successfully utilized parking and other nonessential services as leverage to compel timely payment.
- **Financial Statements** - Comprehensive, customized financial statements will be submitted to the Board within the first 10 days of each accounting period, or as otherwise agreed. Our financial statements provide total up to date financial information including; a profit & loss statement, schedules of income and expenses, a cash and investment schedule, a balance sheet, monthly and year-to-date actual-versus-budget comparisons, and a reserve schedule. If no reserve schedule exists, EAST COAST MANAGEMENT can assist the Board in preparing one. **Sample financial statements are attached.**

## Financial Management (continued)

- **Budget Formulation** - Assistance in developing a draft budget, including descriptive narrative, will be provided at a time mutually agreed upon. We believe that the budgets prepared by EAST COAST MANAGEMENT are as thorough, complete and easy to use as any in the industry. We take great pride in the fact that most of our draft budgets are accepted without change and that without exception our new clients are amazed at the ease at which the budget process is complete. **A sample budget is attached.**
- **Reserve Analysis** - It has been our experience that, while useful, professional engineering studies often overlook important and expensive property components. They also often use standard industry costs and inflation adjustment factors to determine appropriate funding levels. These procedures overstate the funding requirements, often significantly. Our clients have found our studies, which are updated annually as part of the budget process, to be realistic and adequate. Our analysis includes current reserve funding levels, a property inspection and inventory, and useful life projections and analysis. Our analysis will include a review of existing engineering data, if available.

**No EAST COAST MANAGEMENT client has ever required a special assessment or a fee increase to cover reserve fund deficiencies.** To the contrary, several of our clients have funded unexpected repairs or discretionary expenditures with budget surpluses. As a result of our budgeting expertise and financial management, one condominium client not only went 6 years without a fee increase, but replaced all 225 roofs, financed an unexpected \$105,000 foundation repair, and repaved and repainted the entire community. Another replaced all their roofs, repainted, made major pool repairs, renovated their hallways, made major landscaping improvements and replaced every window in the community with one 5% increase in 8 years. **The window project was financed with excess earnings from prior years.**

- **Reserve Fund Management** - We will reconcile all investment statements and assist the Board of Directors in identifying appropriate investments for the Association. Typically, investment options are limited to Certificates of Deposit, Treasury Securities and Money Market funds. We recommend our clients use the services of a broker to simplify investment decisions and accounting. We can also make available a CDARS program through the Community Association Banc.
- **Database Management** - We will maintain at our offices a computerized database including: the present owner or tenant, mailing addresses for absentee owners, fee payment history, telephone numbers and unit type. We have the capability to generate computerized mailing lists, labels, account payment histories and any number of customized reports on an as needed basis. We have developed procedures that, with the Board's approval, can result in better information regarding all community residents. **We do not allow remote access to our network to anyone for any reason. We have not found a compelling reason to do so that outweighed the potential risk to sensitive data.**

## Financial Management (continued)

- **Resident Communications** - We have the capability to assist the Board or committees in the development of materials and the implementation of programs designed to enhance overall communications. This includes welcome packages, resident handbooks and an attractive and informative newsletter.
- **Record Keeping** - We will arrange for the secure and efficient maintenance of Association records, including computer backup tapes at our office, in the "cloud", and on site, as appropriate.

# *Sample Property Inspection*

East Coast Management recently completed a comprehensive inspection of the entire Sample Community. At the time of the inspection, the maintenance deficiencies and/or architectural guideline violation(s) listed at the bottom of this letter were noted at your property. You may have been previously notified in writing regarding these issues.

Unless you have already done so, please make plans to address these issues as soon as possible. Once the work is complete, please mail, or email us a picture similar to the one you received showing the correction for each issue.

Some of you have received several notices about the same problems. Please be reminded that your membership in the Association includes an obligation by you to follow its rules and regulations, including an obligation to maintain your property.

If any of the issues addressed at the bottom of this letter cannot be completed in a reasonable amount of time, please contact our office to request an extension. If you do not agree with the findings of this inspection, you may appeal to the Board. Do not call East Coast Management, or a Board member about this letter. Written requests are necessary to provide a proper paper trail.

Thank you in advance if any of the items have already been corrected. Thank you also for your assistance in maintaining the appearance of your community.



## Sample Community Association Site Inspection 8/13/2019

1400 Remove weeds in plant beds. We recommend mulch to control weeds. Prune overgrown shrubs. Remove vines growing in trees and shrubs in back. Prune trees and shrubs hanging over back wall. You are missing trim in back over #1402.

1414 Scrape and paint your chimney flue. Fence is not the approved style.

1418 Repair rotten siding. Scrape and paint your chimney flue.

1422 Replace broken and missing shutters.

1432 Remove or use window planters. Paint hand railings.

1434 Remove the shed, planter and stones in the common area.

1438 Paint peeling window trim.

1440 Remove unused splash block.

1444 Front yard needs additional attention. It is full of weeds and grass.

1450 The rake board over 448 appears rotten.

1452 Remove the tape on the back siding. Repair and paint trim.

1456 Reset, or remove stepping stones in common area. They are uneven and a hazard. Do not lean lumber against the back fence. It should be laid flat and out of sight.

1458 You did not receive permission to install a concrete walkway on the side of your home. You should request approval, or remove the concrete and brick. You were asked to address this more than once.

1460 Remove weeds in plant beds. We recommend mulch to control weeds.

1462 Remove weeds in plant beds. We recommend mulch to control weeds.

## Maintenance/Grounds

1400 Remove Stump

1410 Dying tree in common area by front door

Clean entrance sign

1434 Repair fence

1446 Remove Stump

1460 Dead limb in cherry tree