

KING PROPERTY MANAGEMENT COMPANY

1. The Eagle Springs development has continued to grow in size and complexity since its founding in 1995.
2. Eagle Springs is currently at the level of development that required an outside professional property management company to work with a board of directors to insure that Eagle Springs is run in a professional and businesslike manner.
3. Effective October 2011 King Property Management Company will be responsible for the day to day operations of Eagle Springs with the Board of Directors having complete oversight of King Property Management.
4. There is no change in the authority of the board of directors. The board of directors is still totally responsible for all aspects of Eagle Springs, including infrastructure, operating expenditures, cash management, etc.
5. All problems and concerns pertaining to the any and all operation of Eagle Springs will be handled through the Property Manager and resolved by King Property Management with consultation with the board of directors on an as needed basis. **The board of directors will no longer be involved in the day to day operations.**
6. Detail information on King Property Management can be found on their web site "**king-mgt.com**".
7. The agreement is for a period of 15 months from October 2011 through December 2012 and is an automatic renewal based on approval by the Eagle Springs board of directors and King Property Management.
8. Eagle Springs Homeowner's Association can cancel the contract with King Property Management Company with 60 days written notice. King Property Management Company can also cancel the contract with 60 days written notice.
9. The annual cost for King Property Management is \$30,000 paid monthly in the amount of \$2,500.
10. Currently Eagle Springs Homeowner's Association is paying an outside accounting firm approximately \$16,000 to \$18,000 annually to maintain our financial records. This annual \$16,000 to \$18,000 would apply towards the King Property Management Company annual fee as King will take over all accounting and legal functions.
11. Additional savings will come from better management of the pool complex in that there will be a "swim at your own risk" policy which will eliminate the need for lifeguards. This swim at your own risk policy has been approved by our insurance carriers at no increase in annual premium. This will amount to an annual savings of approximately \$25,000 to \$30,000.
12. Additional annual association fees will be collected from new houses under construction. This will amount to approximately \$10,000 annually.
13. **There will be no increase in annual assessment fees** as a result of King Property Management becoming responsible for Eagle Spring operations.
14. The current Property Manager will report to King management and not the board of directors and be paid by King Properties. The Property Manager salary is budgeted in the annual Association's budget as the Association is responsible for all operating expenses as has been done in the past years.
15. King management will attend the monthly board meetings and keep board members informed of all their monthly activities via e-mail, especially as it pertains to cash expenditures and operating expense.

16. King management will have access only to the operating expense bank accounts for issuance of checks to vendors, suppliers, etc. Only the board of directors will have access to the money market accounts for transfer of funds to replenish the business operating accounts.
17. King Property Management personnel are pool certified.