

anthem community council

Meeting of the Board of Directors
October 23, 2019
Anthem Civic Building
3701 W. Anthem Way
Community Room

6:30 p.m.
Open Session

*The Board of Directors will be meeting in executive (closed) session starting at 5:00 p.m.
pursuant to A.R.S. Section 33-1804 (A) (1) & (4).*

ANNOTATED AGENDA

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ESTABLISH QUORUM**
4. **ADOPT AGENDA**
5. **APPROVE MEETING MINUTES**
 - A. September 25, 2019 **Approved**
6. **PRESENTATIONS/AWARDS/ANNOUNCEMENTS**
7. **STAFF REPORTS/FINANCIALS**
8. **CLOSED SESSION REPORT**
9. **OPEN DISCUSSION**

(Persons interested in speaking or submitting a question or comment to the Board, are asked to complete a Question/Comment form and submit to the Recording Secretary.)
10. **OLD BUSINESS**
 - A. **Consider Adopting Resolution 2019-R-01, Approving the 2020 Operating Fund Budget.**
Approved
11. **NEW BUSINESS**
 - A. **Consider Authorizing the CEO to Finalize and Execute an Initial Two-Year Contract with DLC Resources for Landscape Maintenance Services.** **Approved**
12. **ADJOURNMENT**



COMMUNICATION BRIEFING

October 23, 2019

MARK YOUR CALENDARS

Oct. 19-20: Autumnfest, 10 a.m.-5 p.m. on Sat; 10 a.m.-4 p.m. on Sun.

Oct. 25: Monster Ball, 6-8 p.m., Community Center

Oct. 27: Farmers' Market, 9 a.m.-1 p.m., Community Park (Sundays, except Nov. 10)

Nov. 1: Representative Town Hall Meeting, 9 a.m., Civic Building (one week early)

Nov. 9: Veterans Parade, 10 a.m. Gavilan Peak Pkwy. to Anthem Way to Community Center; followed by picnic and cornhole tournament, Community Park softball fields (until 4 p.m.)

Nov. 10: Anthem Veterans Memorial & parking lot closed for setup/safety; authorized access

Nov. 11: Veterans Day Ceremony, 10 a.m., Anthem Veterans Memorial

Nov. 20: ACC Board meeting, 6:30 p.m., Civic Building (one week early due to holiday)

Please visit OnlineAtAnthem.com for a full list of events and complete holiday hours.

CEO OUTREACH AND GENERAL INFORMATION

The CEO has been actively involved with several top priority items including the 2020 budget preparations, the landscape maintenance proposals, the dog park project, numerous operational issues, staffing priorities, and community meetings.

Dog Park: ACC vendor items such as security cameras and entry access system are being tested and fine-tuned. Programming of lighting and the completion of miscellaneous items are currently taking place. A major milestone yet to be completed is the installation of the APS meter to bring power to the site. Once that is completed, the date for the grand opening can be set. The first 100 guests at the grand opening will receive a “doggie bag” of goodies. As of Oct. 15, over 250 memberships have been processed, with more appointments on the books for the remainder of the month.

Anthem Youth Advisory Council: The group held their strategic planning session Oct. 9. They will present their goals for the new term at the November Board meeting.

COMMUNICATIONS & PUBLIC AFFAIRS

Veterans Day Ceremony: Final plans are underway for the ceremony, which will begin at 10 a.m. at the Anthem Veterans Memorial. See the September or November “Anthem Way” magazine for details about the ceremony participants and event logistics. Special thanks to the Arizona Department of Veterans’ Services, Safeway-Albertsons Foundation and BrightView Landscapes for their generous support of the event.

Anthem Veterans Memorial: Fifteen new pavers were installed at the Memorial on Oct. 10. Special thanks to the Parks & Facilities staff for their skillful work on installation day. The order deadline for the next installation is Nov. 25, for placement in January.

Autumnfest: Staff will once again host the Decorated Pumpkin Contest at Autumnfest, Oct. 19-20. We look forward to all of the creative entries! Staff also will be handing out “doggie bags” to resident festival-goers with dogs, to cross promote the Dog Park and encourage membership as well as attendance at the grand opening.

Water Rate Case: The Arizona Corporation Commission held a special meeting Oct. 17-18 regarding several items related to the upcoming water rate case, which will be filed in May by EPCOR. Public Affairs Director Kristi Northcutt and Board member Roger Willis, who serve as rate case interveners, prepared and filed a document with the ACC’s position on these items.

Other: Staff has assisted with promotional materials, signage, advertising, branded items, etc. for Autumnfest and the Dog Park grand opening; providing support to the Daisy Mountain Veterans for the Veterans Parade, assisting with budget documents/planning the Budget-in-Brief, etc.

COMMUNITY CENTER

Aquatics: The number one program initiative for 2019 was to create a new progressive swim lesson program at the Community Center. Led by Scott Newell and his well-trained swim instructors, the program had 445 individuals participate in Anthem Swim University and 109 first-time swimmers enrolled in private swim lessons.

Youth Programs/Sports: Over 2,000 residents have enjoyed climbing the Rock Wall since the new belay system has been installed. The fall rec soccer program continues to grow with 328 players registered on 34 teams. The first youth pickleball league started this month with 15 participants. Get Rec’d and dodgeball continue to grow in popularity for those youth who do not have the time to commit to a full-season sport.

Other: Men’s and Women’s locker room showers were closed the week of Oct. 14 for maintenance. Contractors repaired walls, replaced broken floor/wall tiles, and re-grouted all 14 shower stalls. Holiday Hours: the Community Center will open at 10 a.m. on Monday, Nov. 11; and will close at noon on Thanksgiving, Nov. 28 (pool will not be open).

SPECIAL EVENTS

Autumnfest: Crafters are all in place with over 90 vendors registered with their goods and wares, along with the food vendors and Rotary beer garden. The pumpkin patch will have a great selection to choose from. Carnival opens Thursday, Oct. 17 at 5 p.m. A big shout out to our sponsors: BrightView Landscapes (Title); ProSkill Plumbing, Renewal by Anderson, and First Impression Ironworks (Event); HonorHealth (Food Court); and Baskin-Robbins (Pole Sponsor).

Veterans Parade & Picnic: Volunteers with the Daisy Mountain Veterans having been working closely with ACC staff as they wind down with the parade plans and logistics. New this year, parade goers can expect to see a Jump Team parachute into the Community Park (Soccer Field #1) carrying the American Flag. The Community Picnic, hosted by the Anthem Area Chamber of Commerce, is in the final stages of event planning and coordination. With parade questions, residents should visit the Daisy Mountain Veterans website; for picnic questions, residents should reach out to Heather Maxwell (Chamber).

Farmers Market: The Farmers Market will return to Community Park every Sunday beginning Oct. 27 from 10 a.m.-1 p.m.; excluding Nov. 10 (Veterans Day Ceremony setup).

Veterans Day Ceremony Setup: The upper park parking lot will be closed all day on Sunday, Nov. 10 to allow for unobstructed and secure event setup. The Memorial will have restricted access all day due to the ceremony preparations. Visitors should expect to view and take photos of the Memorial from a distance on Nov. 10.

Turkey Trot 10k/5k Race: 4 Peaks Racing will host their 17th annual Turkey Trot event starting and ending at the Community Center on Nov. 28. The race will begin promptly at 8:30 a.m. A traffic control plan is in place for the morning, residents should use caution. Parking at the Community Center will be limited.

CIVIC BUILDING

Java & Jammin': Java & Jammin takes a break in November due to the Veterans Parade. The next concert will be Dec. 14 at 9:30 a.m. A new artist, Michelle Moyer, will perform.

Programs: New programs offered at the Civic Building are selling out. Each glass project has been full with 8-10 participants. The glass class in November will be a flower making class. Family Painting classes continue to be a hit with 10 participants each month.

Other: The Civic Building is closed Nov. 9-11 in observance of Veterans Day. Civic Building carport structures, parking lot pole lights and bollard lights will undergo conversion to LED lighting in the coming months, with completion expected by the end of the year.

PARKS & FACILITIES

Community Park: Overseeding is complete and all grass areas along with soccer fields are open for use. All repairs to the damaged trail sections from the heavy rains were completed. Two new benches were installed at the lower basketball courts to replace the old-style benches that had deteriorated. High Desert Little League provided new bat racks for all the dugouts and staff are installing. Staff completed the installation of 15 new pavers at the Veterans Memorial on Oct. 10.



Liberty Bell Park: Hastings Field is now closed for overseeding and will reopen Nov. 22.

Opportunity Way Park: Additional plants will be added to the center walkway and to the west parking lot area this month.

Paseo: Additional tree pruning will be completed this month along with granite being added in multiple areas. Landscape conversions will begin this month and into November.

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Financial Summary of Operations – 2019 September

Summary:

- Anthem Community Council's financial performance for the ninth month of 2019 and YTD was favorable against September 2018 and favorable against the approved 2019 budget.

- **Balance Sheet Review:**
 - Our Operating Cash balance, net of cash balances due to our HOA partners and advances for Master Plan Projects is \$3.4 million.
 - Our adjusted Reserve Fund balances are at \$16.7 million, and are fully funded in accordance with the 2018 Reserve Study. The 2019 Budget calls for Reserve contributions totaling \$2.2 million, at \$185,000 per month, against an anticipated spending of \$1.6 million.
 - Our net Enhancement Fund balances are \$1.6 million.
 - Collections and Accounts Receivable balances are at \$907,000.

- **Income Statement Review:**
 - Net September YTD revenues were level with both the 2019 budget and YTD September 2018 results.
 - Utility expenditures are \$38,000 below the YTD September 2019 Budget and \$35,000 below the September 2018 YTD results.
 - Financials costs, which include bank fees, insurance and related costs, were \$36,300 below the September's 2019 YTD Budget and \$47,000 below the September 2018 YTD results.
 - The Operating Fund performance is favorable for the period ending September 30, 2019 at \$229,857.

- As always, our full disclosure financial statements are posted at *OnlineAtAnthem.com* as part of the documents supporting this open meeting. We encourage all property owners to take the time to become familiar with our financial standing and results. Please send us your questions at *accounting@anthemcouncil.com*.



FINANCIAL DASHBOARD
2019

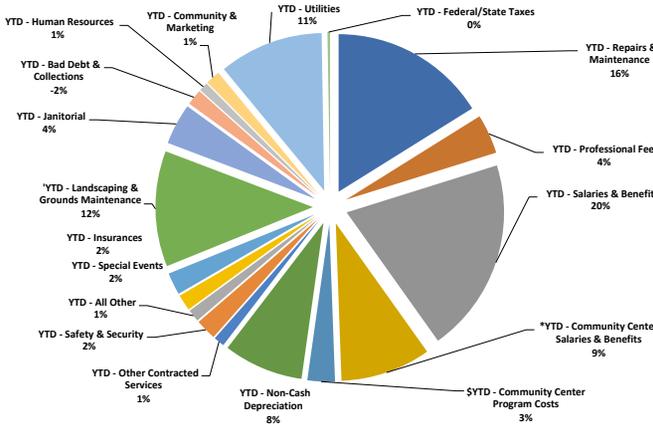
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Print Date: 10/16/19
Month: 9

This YTD	Last YTD	This YTD
September	September	September
ACTUAL	ACTUAL	BUDGET

BALANCE SHEET SUMMARY

Operating Cash	3,432,083	4,294,917
Reserve Fund	16,730,537	15,192,103
Enhancement Fund	1,632,980	1,499,856
Receivables - ACC	429,633	496,686
Receivables - Other	90,193	66,453
Receivables - Allowance	(244,890)	(368,561)
Other Current Assets	269,816	221,866
Net Fixed Assets	15,703,604	14,597,442
TOTAL ASSETS	38,043,755	36,000,762
Trade & Supplier Payables	308,106	263,743
Payroll & Benefits	183,116	258,542
Prepaid Assessments	1,031,642	964,480
Deferred Assessments	52,347	163,762
Other Current	138,177	181,544
Funds Due HOAs	689,078	313,291
Retained Equity	35,411,431	33,523,646
Current Year Surplus	229,857	331,753
TOTAL LIABILITIES & EQUITY	38,043,755	36,000,762



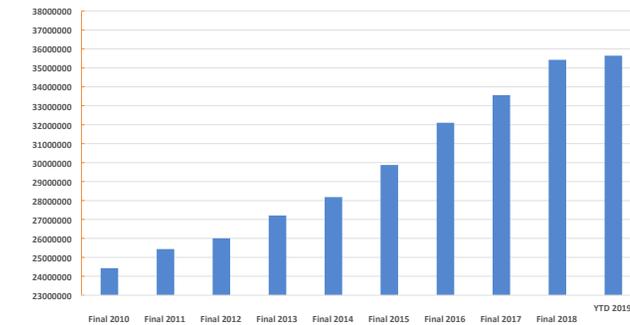
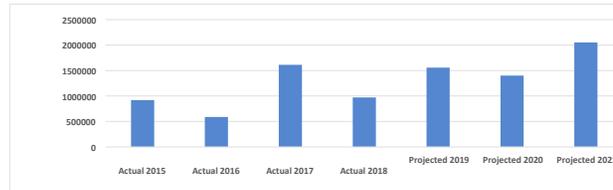
TOTAL ANTHEM A/R	TOTAL	Due Now	31 - 60	61 - 90	91 - 180
Country Club	61,870	8,905	1,172	3,299	48,494
Non Residential & ACC	429,633	13,362	46,341	8,763	361,167
Parkside	411,150	13,970	16,135	11,625	369,420
Villages	4,770	1	100	-	4,669
TOTAL	907,423	36,238	63,748	23,687	783,750
		4.0%	7.0%	2.6%	86.4%

TOTAL ANTHEM A/R	TOTAL DUE	TYPE OF OPEN RECEIVABLE			
		Assessmnt	Legal	CC&Rs	Other
Country Club	61,870	35,542	-	800	25,528
Non Residential & ACC	429,633	195,862	228,620	-	5,151
Parkside	411,150	62,039	48,354	297,208	3,550
Villages	4,770	4,195	-	575	-
TOTAL	907,423	297,638	276,973	298,583	34,229

PROFIT & LOSS SUMMARY

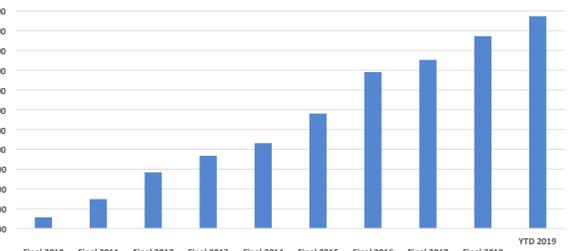
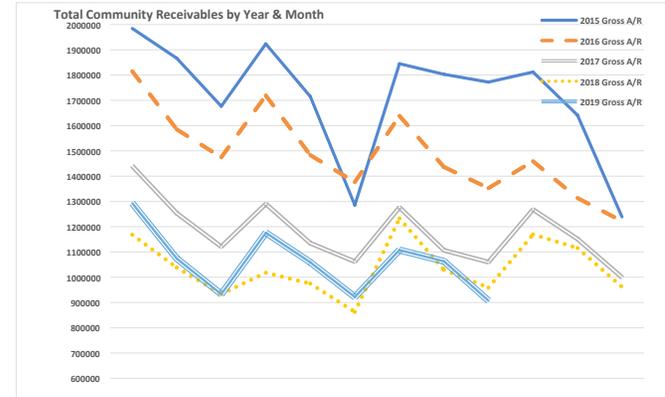
Assessments	6,909,547	6,753,750	6,721,233
Community Center	700,694	767,153	939,758
Events	96,381	92,444	80,825
Other Revenues (Net)	809,039	749,615	485,983
Transfer to Reserve Fund	(1,665,000)	(1,530,000)	(1,575,000)
TOTAL REVENUES	6,850,661	6,832,961	6,652,799
Direct Programs Cost	198,169	226,420	260,191
Events Costs	116,978	98,845	115,811
Community Involvement	104,836	99,619	126,352
Utilities	754,820	733,839	759,809
Professional Fees	284,819	296,244	300,075
Financial Costs	(32,488)	17,141	134,308
Insurances	160,407	180,178	279,025
Security Costs	150,954	168,087	214,114
Human Resources	64,339	59,428	88,106
Repairs & Maintenance	536,972	505,637	577,786
Landscaping	835,344	847,326	845,250
Contract Services	374,001	355,247	386,253
General & Administrative	70,914	195,099	291,539
Compensation - Comm Ctr	652,361	617,351	612,030
Compensation - Facilities	597,575	575,994	626,250
Compensation - Admin	1,405,120	1,447,413	1,823,474
Depreciation	576,370	553,611	638,550
All Other Expenses	(45,962)	(28,453)	37,800
TOTAL EXPENSES	6,805,530	6,949,026	8,116,726
OPERATING SURPLUS	45,132	(116,065)	(1,463,928)
RESERVE SURPLUS	777,570		
ENHANCEMENT SURPLUS	(592,845)		
TOTAL SURPLUS (DEFICIT)	229,857		

ACTUAL & SCHEDULED RESERVE FUND SPENDING 2015 - 2021



Growth in Community Net Equity Year Over Year

HOW ASSESSMENT DOLLARS HAVE BEEN SPENT - CURRENT YTD



Growth In Reserve Fund Balances Year over Year

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Memorandum

To: ACC Board of Directors

From: Neal Shearer, Community Executive Officer

Date: October 17, 2019

Re: **2020 ACC Operating Fund Budget**

Recommendation

It is recommended that the Board adopt Resolution 2019-R-1, approving the attached 2020 Operating Fund Budget for the Anthem Community Council.

Summary/Overview

Staff is pleased to transmit the proposed 2020 Operating Fund Budget for the Board's final review and approval. This budget was initially presented and discussed at the open work session on Oct. 15, 2019.

This proposed budget reflects the Board's strategic priorities by providing for:

- The continuation of high-quality services and facilities;
- The continuation of involvement with community partners;
- Advocacy for Anthem on public safety and other issues impacting the community;
- The implementation of Facilities Master Plan projects (e.g., dog park); and
- Strengthening and stabilizing staffing to position the organization for future success.

As presented, the draft budget does not include an ACC assessment increase. However, there is a proposed increase in the special benefited assessment for each Paseo unit of \$4.50/month or \$13.50/quarter (see Paseo section in departmental highlights for detail). The Operating Fund budget as proposed sets the stage for focused and thoughtful discussions on the timing and level of future ACC assessment increases that are needed to address cumulative cost pressures since the last increase in 2014.

In preparing this budget, department directors and the budget team reviewed, questioned and refined every expense line item. As a result of this deliberative process, the projected 2020

total operating costs are increasing by 3% or \$294,000 over the 2019 budget, even with the following major cost factors adding over \$600,000 to the proposed budget:

- *Mandatory minimum wage increase.* 2020 will be the fourth year of mandatory increases to the minimum wage with the highest increase of \$1.00 per hour. Since 2016, the minimum wage in Arizona has increased almost \$4.00 per hour, from \$8.05 in 2016 to \$12.00 in 2020. Wages for over 100 seasonal and year-round ACC employees have been positively impacted by the minimum wage increase, but it has caused year-over-year increases to payroll, with a 2020 impact of approximately \$85,000.
- *Merit pay.* In this very tight and competitive labor market, the ACC must continue to take steps to retain and attract talented employees, combat the high cost of turnover, promote staff stability, and create succession management options for key positions. The 2020 draft budget includes funding for a 3% merit increase (performance based, not cost of living) and limited equity pay adjustments in the amount of approximately \$115,000.
- *Executive staff restructuring.* The ACC is reimplementing the three-person executive team structure (CEO/CFO/COO) that existed from 2011-2018, due to the continuously high workload, a steady stream of external issues that require strategic attention, and the importance of leadership continuity and the separation of duties in finance and operations. Additionally, after more than ten years with the ACC, Neal Shearer will retire as CEO in mid-2020, and the Board intends to provide for a smooth transition of leadership by recruiting for and hiring a new CEO before his departure. The 2020 payroll budget is increased by approximately \$145,000 to add a COO position and allow for a dual-CEO overlap period.
- *Major contracts.* Approximately \$135,000 is added to the 2020 budget for increases in major service contracts, including IT (\$20,000), custodial (\$40,000, which includes the dog park) and landscaping (\$75,000, which includes the dog park and Paseo). In mid-2019, the Board directed staff to issue a comprehensive RFP for landscape maintenance services, the ACC's largest service contract, and nine reputable firms submitted proposals. The ACC and the Anthem Parkside Community Association collaborated on this RFP to leverage economies of scale and seamless service delivery. An increase in the base landscape contract is expected, as the ACC's contract for base landscape services has not increased for nine years. During that timeframe, there have been minimum wage increases and scope expansions to include Opportunity Way Park and the new dog park. The Board will consider the 2020-21 landscape services contract recommendation at its open meeting on Oct. 23, 2019. *(Please note that the landscape contract price is for base services; extra services that are provided on a unit pricing basis—such as plants, tree pruning, overseeding, sod, and special projects—are budgeted in other line items).*
- *Utilities.* Water bills are projected to increase by approximately \$80,000 due to the EPCOR interim water rate increase.

- *Legal fees.* \$60,000 is included in the budget for expert legal advocacy to protect Anthem rate payers during the 2020 EPCOR water rate case, an increase of \$36,000.
- *Master Plan projects.* The draft budget includes the initial full year of dog park operating costs, estimated at \$70,000, in various line items. This includes: Park Patrol hours at 36/week (\$23,000); utilities (\$10,000); supplies/repairs/misc. (\$8,000); custodial services (\$9,000—included in the custodial contract increase, above); and landscape services (\$20,000—estimate only, as this cost is included in the landscape contract increase, above).

On the revenue side, the total assessments and income are projected to increase by \$613,000 or 7% over the 2019 budget, after transfers to the Enhancement Fund (\$749,860) and the Reserve Fund (\$1,800,000). This total reflects increases in several revenue categories, including but not limited to single family and multi-family residential assessments, resales and disclosures, and community programs. Modest fee increases are proposed for some Community Center programs including group fitness passes, Adventure Club, camp, and the swim team, as outlined in the department budgets, below. The Board approved a user fee of \$50 per household for dog park membership, which is included in the community program revenue at a conservative \$20,000.

A recommended revision to the ACC's Reserve Fund contribution retains \$420,000 in revenue to fund operating costs while keeping the Reserve Fund "fully funded" through 2048, as validated by Criterium-Kessler Engineers, the firm that conducted the 2018 Reserve Study (see attached letter, dated Oct. 3, 2019). The current Reserve Fund balance of \$16,700,000 reflects a stronger financial position than originally forecasted in the 2018 Reserve Study, and the preliminary indication is that the total Reserve Fund expenditures in 2019 and proposed 2020 will be less than forecasted (preliminary 2020 Reserve Fund projects are attached).

After proposed transfers to the Enhancement and Reserve Funds, the total proposed operating costs exceed the proposed total assessments and income by \$993,000. It is important to acknowledge that this deficit is not indicative of Operating Fund cash flow concerns for 2020, given the ACC's net cash reserves; funds that are owed to the Operating Fund for the accelerated Master Plan projects; anticipated new Enhancement Fees that could be used for operating expenses (if needed); and the ACC's consistent track record of controlling expenditures and underspending the budget to end the year with an Operating Fund surplus.

This unique time of transition with the ACC executive team affords a prime opportunity for the new CFO (recruitment underway) to work with the CEO, Board, and Fiscal and Resource Management (FaRM) Committee to take a fresh look at the ACC's short- and mid-range financial picture (and operations), in order to evaluate the following issues: the underlying need and justification for assessment and fee increases beyond 2020; the need to revamp and strengthen the annual budget process and how it is presented; the timing of the final approved Master Plan project (Skate Park expansion), tentatively scheduled for 2020-21; and the need

to reassess options to strengthen FaRM Committee involvement, including a hybrid “finance committee” structure with Board and resident representation.

This budget incorporates many hours of work by the combined staff of all ACC departments, and includes a continuing challenge to department directors to refine actual performance throughout the year, as well as the commitment to embrace opportunities that generate cost savings without a sacrifice in service quality. While no budget can anticipate every occurrence that would impact an operating year end-result, we believe that this budget presents a realistic and achievable objective, and presents both an opportunity and challenge to our dedicated staff at all levels to again demonstrate focused attention on utilizing community resources wisely and efficiently.

Attachments:

- Resolution 2019-R-1
- 2020 Consolidated Operating Fund Budget
- 2020 Operating Fund Budget Detail
- Preliminary 2020 Reserve Projects
- Letter from Criterium-Kessler Engineers dated Oct. 3, 2019

Departmental Highlights

Below are highlights by department; staff will be prepared to address any questions that the Board or residents may have regarding the budget proposals.

40 – Administration

Administration includes Finance/Accounting, Human Resources, office management and the office of the Community Executive Officer, Community Financial Officer (recruitment underway) and Community Operations Officer (recruitment underway). The mission is to create an organizational culture that promotes integrity, teamwork, and exceptional customer service.

Items	Notes
Revenue	<ul style="list-style-type: none">• Revenues reflect careful consideration to have an accurate budget for all line items while still remaining conservative.• Enhancement Fees are conservatively projected to be \$749,860, a reflection of the continuing strong resale housing market in Anthem and low mortgage rates. Through the first nine months of 2019, Enhancement Fees total \$736,000.
Expenses	<ul style="list-style-type: none">• Professional Services Fees are up \$38,425 over 2019 budget, but below 2018 actuals; draft budget reflects increases in legal support for water rates, collections, and CPA services.• Insurances reflect the ACC portion only; past years reflected the entire bill including the HOA portions. This accounts as a budgetary reduction of \$91,120.• Salaries & Wages show an increase due to adding a COO; overlap for new CEO orientation and merit increases for current staff of 3% are included.• Vacant positions account for 2.5 full-time equivalents and provide resources to strengthen critical functions including IT coordination, contract administration and quality control, and accounting services.• Education Expenses are decreased by \$10,175 from the 2019 budget, but remain higher than 2018 actuals, due to the projected increase in safety trainings, employee development/supervisor training, and other professional development activities.
Security Measures/IT	<ul style="list-style-type: none">• The remainder of 2019 will continue to see the planned expansion of physical security measures and video security, improvements to internal IT network backup and data protection, expansion of wireless access in common areas to benefit Anthem residents, and improved IT security at the desktop and network level.• With the above additions in 2019, the 2020 overall security budget will see a reduction of \$53,912, but the overall security that is in place will be stronger.

41, 42, 43 – Community Center Administration, Programs and Maintenance

The Community Center budgets include routine maintenance, janitorial, programming and other administrative and operational expenses. Note that many of the programming costs are influenced by the amount of management salary allocated to that particular area.

The focus and daily emphasis of the Community Center is to provide a wide range of quality amenities for our residents and their families within a safe and inviting environment. ACC management continues to evaluate the types of programs and equipment that enhance the user experience. As part of that continual evaluation, the ACC is dedicated to balancing its staffing resources to complement its offerings to the community.

Items	Notes
Revenue	<p>Overall revenue for all programs is expected to be \$81,343 higher in 2020 than in 2019. Approximately 50% of this comes from the projected increase in revenue from the Youth Leagues. After a review of fees for selected programs and activities within the Community Center, the following fee increases are proposed for 2020:</p> <p><i>Group Fitness Passes (on Jan. 1, 2020)</i></p> <ul style="list-style-type: none"> • Daily passes increase from \$5 to \$7 • Monthly passes increase from \$49 to \$55 • 12-punch passes increase from \$40 to \$45 • 24-punch passes increase from \$65 to \$72 <p><i>Adventure Club (on Jan. 1, 2020):</i> Second hour increases from \$1 to \$2; first hour remains \$5.</p> <p><i>Camp (on Jan. 1, 2020)</i></p> <ul style="list-style-type: none"> • Daily rate increases from \$45 to \$55 • Weekly rate has been restructured based on field trip attendance. Weekly rate currently is \$179 and field trips are an additional cost (vary by trip). The new fee structure would be \$175/week without field trips and \$195/week with field trips. <p><i>Swim Team (on April 1, 2020):</i> There is a proposed increase of 5%, the first increase in several years, to allow this popular legacy program to keep pace with expenses.</p>
Payroll and Benefits	<ul style="list-style-type: none"> • The Community Center employs over 100 seasonal and variable-hour employees, all of whom are impacted by AZ Prop 206. With the increase of Prop 206 by \$1.00/hour in 2020 and 3% merit increases, the result is an annual increase of \$70,803. • The change in payroll also reflects the consolidation of Rock Wall staff with front desk staff & fitness/sports monitors. It also reflects an increase in adding additional Park Patrol staff for the dog park and Adventure Playground during high activity times.
Aquatics	<ul style="list-style-type: none"> • The Aquatics budget shows a net loss, as that category includes the cost of lifeguards and related training to operate the pool and water park; these are expenses that are covered by assessments.

	<ul style="list-style-type: none"> • In 2018, the ACC added funding for one on-call guard each shift to address challenges with paid sick time (a new feature of the minimum wage law). The aquatics park cannot operate without sufficient guards, and the new law allows for staff to call in last-minute, necessitating the move to pay a guard to be on “standby.” This practice continues to remain in place as a necessity. • The ACC will continue to invest in lifeguard training and coverage to protect pool guests. This investment has proven to be successful as the Aquatics Team has consistently received the top five-star rating from the Starfish Aquatics Institute, an organization that conducts independent audits of lifeguard operations during the busy summer season. • In 2019, revenue from swim lessons has increased by over \$12,000 from what was budgeted, and is expected to remain at that level for 2020. • Although the Aquatics revenue shows a decrease of revenue of \$4,000 for 2020 from 2019 actual, this is due to the Junior Guard and Junior CABS classes being moved to Children’s Programs, where that same \$4,000 increase is in the revenue.
Fitness and Rock Wall	<ul style="list-style-type: none"> • Although there was an increase in fitness equipment and an expectation for 2019 that there would be increases in fitness equipment repair, the ACC has been able to reduce outside vendor repair. The ACC’s newest Aquatics Technician has extensive experience in fitness equipment repair and is now handling non-warranted repairs. • Rock Wall continues to be promoted for increased opportunities in revenue and use of this amenity.
Camp	<ul style="list-style-type: none"> • Camp continues to be popular and operates at a reasonable net profit.
Sports Programs	<ul style="list-style-type: none"> • Anthem has seen an explosive growth in third-party club-sponsored sports, including multiple soccer organizations; lacrosse, flag football, and baseball. All of these organizations, along with the ACC’s own sponsored sports programs, compete for limited field availability. As club sports expand, the ACC’s internal programs experience declining revenue, attendance and participation. • Adult Sports have declined significantly and most programs have been removed for 2020. However, interest surveys will be pursued for possible additions to programs where there is most interest. • Overall, Youth League revenue is expected to increase \$43,000 over 2019; this is due to the Sports Program Manager introducing a Get Rec’d program in 2019, with even higher participation expected in 2020. Additionally, an adaptive recreational program will be added in 2020. Two club teams have also been added in 2019 and the response has been positive.
Other Programs	<ul style="list-style-type: none"> • Teen programs remain in place but have modest popularity. • Special events remain popular, including Parents’ Night Out, Monster Ball, Buddie the Elf, and the Valentine Dance.

	<ul style="list-style-type: none"> Adventure Club, the on-site drop-off daycare for children whose parents/caregivers are working out or attending a class, has seen a deficit for several years. There is a proposed increase of \$1.00 per hour for the second hour of use.
Security	<ul style="list-style-type: none"> Security, in the form of video, audio and live physical presence, continues to be an important part of the Community Center budget. Employee and resident safety and security are of paramount concern, and the ACC continues to invest in technologies and services so that residents may safely enjoy all that the Community Center and parks have to offer. This line includes Park Patrol, overnight third-party security, and the contract with off-duty Sheriff deputies. There are funding increases for additional Park Patrol staff, for both Adventure Playground and the dog park, during high-activity times.
CivicRec	<ul style="list-style-type: none"> New online registration software was successfully launched in 2019. The 2020 budget includes a 10% fee of monthly revenue for the system that was not previously included in the budget.

44 – Civic Building

The Anthem Civic Building opened to the public in January 2014, and has been Anthem’s “living room” ever since, housing ACC and HOA staff, and serving as a gathering and meeting space for Anthem residents, businesses, clubs, and organizations. There are rooms for rent, drop-in space, a Business Center, diverse programming to complement what is offered at the Community Center, non-profit office space, and leased space for the Maricopa County Sheriff’s Office/Phoenix Police Department.

Items	Notes
Revenues	The building has seen a reduction in room rentals, so the revenue has been reduced by \$10,000 for 2020.
Operations and Maintenance	Overall, operating expenses reflect a nominal decrease.

45 – Paseo

The common areas within Paseo are owned and maintained by the ACC. The CC&Rs for Paseo authorize the ACC to charge a benefited assessment to cover the cost of maintaining the common areas and to apply the assessment equally to all 160 dwelling units. This benefited assessment is in addition to the assessments that Paseo homeowners pay to the ACC and Parkside.

The quarterly benefited assessment for Paseo has remained \$118.50/unit since 2013. When multiplied for all Paseo units for a full year, the total benefited assessments equal \$75,480. This total assessment is evaluated each year to cover the cost of the base landscape maintenance contract, general maintenance services, tree pruning and removal, new plants and trees, overseeding, granite installations, desert landscape conversion projects, common area maintenance, irrigation system repairs, lighting supplies/repairs, electricity, vandalism, insurance, and water for irrigation.

As part of the Fall 2019 landscape maintenance services RFP process, nine reputable commercial landscape contractors submitted proposals, and every contractor’s proposed pricing for Paseo came in considerably higher than the current contract of \$1,250/month, which has not increased for several years. For 2020, the landscape maintenance contract for Paseo is expected to increase to \$3,000/month, which will increase the total 2020 operating budget for Paseo to \$84,480 (as opposed to the current \$75,480), after some line item costs were trimmed or transferred to the ACC. **The new budget/total benefited assessment amount of \$84,480 will require an increase in the benefited assessment for each Paseo unit of \$4.50/month or \$13.50/quarter.**

The 2018 Reserve Study recommends that a Reserve Fund contribution in the amount of \$2.50/month or \$7.50/quarter be added to the special benefited assessment in each of the next four years, in order to begin to correct the long-term deficiencies in the fund. *Staff is recommending to the Board that we delay implementation of this proposed 2020 Reserve Fund contribution until 2021*, in order to more fully analyze the Reserve Study, and to differentiate the repairs and replacement costs that are paid by the annual operating budget for Paseo and the Reserve Fund. This one-year pause will also allow more time to communicate with Paseo homeowners on this matter.

Items	Notes
Revenue	<ul style="list-style-type: none"> As explained above, the new budget/total benefited assessment amount of \$84,480 will require an increase in the benefited assessment for each Paseo unit of \$4.50/month or \$13.50/quarter.
Expenses	<ul style="list-style-type: none"> Projected Paseo expenses include: \$12,100 for utilities; \$36,000 for base landscape services; \$24,000 for tree pruning, granite, plants, and special landscape projects; \$8,780 for community area repairs, maintenance and lighting supplies; and \$3,600 for insurance.

46 – Parks and Facilities Maintenance

Parks & Facilities has the largest budget and is responsible for maintenance of all ACC facilities and infrastructure, as well as: Community Park; Opportunity Way Park; Liberty Bell Park & Splash Pad; Community Center; Civic Building; Anthem Veterans Memorial; Anthem Dog Park (late 2019), entry features; common areas not maintained by HOAs; over 10 miles of roadsides and medians; 346 acres of landscaped common area; 1,540 acres of open space (mostly protected washes); over 4 million sq. ft. of common wall and view fence; over 15 miles of walking, biking and pedestrian trails; over 8 miles of barbed wire fence; and over 20,000 trees.

Items	Notes
Personnel	<ul style="list-style-type: none"> In 2019, employee headcount did not change, but department leadership structure was modified to incorporate additional managers. This enhances succession planning needs and day-to-day management of contracts and vendors. The new Landscape Manager oversees landscape and fields, and was commissioned with a focus on the landscape contract and to ensure obligations are completed in a timely manner and with high quality.

	The filling of this position, adjustment of responsibilities, merit increases, and Prop 206 realignment result in an increase of \$72,029.
Utilities	<ul style="list-style-type: none"> • Due to the EPCOR interim water rate increase, there is a projected increase of \$62,000.
Maintenance	<ul style="list-style-type: none"> • The ACC will continue to invest in tree trimming, granite replacement, and plant replacement at amounts consistent with 2019 levels. • Overall, the total increase in repairs and maintenance is approximately \$50,000 over the 2019 budget.
Supplies	<ul style="list-style-type: none"> • The lighting supplies budget remained consistent with the last two years, but the LED replacements should all be in place by the end of 2020, resulting in future savings.
Service Contracts	<ul style="list-style-type: none"> • The janitorial contract includes a 3% increase over 2019. • The ACC has retained its service contracts for pest control, parking lot sweeping, lake maintenance, pump maintenance, HVAC preventative maintenance, fire monitoring, and elevator maintenance without any significant increases for 2020 vs. 2019.

The Parks & Facilities 2020 budget also includes Capital Expenditures of \$18,000 for a secure Genie trailer for electrical and lighting repairs, which will provide a more efficient and safe way to conduct such repairs.

47 – Special Events

The Special Events budget covers revenues, expenses, and oversight associated with the ACC’s signature events: Anthem Days, Music in May, Independence Day Celebration, and Autumnfest. The Veterans Day Ceremony, support services for the Memorial Day Ceremony, and the semi-annual Go Green recycling events also are included.

Items	Notes
Revenues	<ul style="list-style-type: none"> • Overall revenues are projected to increase by approximately \$3,275 against the 2019 budget.
Expenses	<ul style="list-style-type: none"> • Expenses are anticipated to increase by approximately \$17,000 overall for Anthem Days, Music n May, Independence Day Celebration, and Autumnfest. \$14,000 of this overall expense is directly related to event security; these funds are a direct transfer from Dept. 40 to Dept. 47 and are not a net increase to the overall budget.

48 – Communications and Public Affairs; Business Services

This department oversees all ACC communications, including, but not limited to social media, printed publications and collateral, the community website (including all three HOAs), and the Anthem Veterans Memorial. Staff also assists HOA partners and community members with communications, rate cases, special events, Community Center and Civic Building programs, and other cross-promotional services.

Items	Notes
Expenses	<ul style="list-style-type: none"> • No significant changes.
Personnel	<ul style="list-style-type: none"> • In late 2019 or early 2020, the Communications Department will add a part-time Content Management Specialist (CMS). The CMS will handle primarily website content, as well as Intranet and analytics, and will serve as an additional CivicRec administrator. This is not an additional position being added, but rather a part-time position approved in the 2018 and 2019 Finance Department budgets being re-allocated to the Communications Department. • Late in 2019, Business Services and Code Compliance moved under the umbrella of this department.
Publications	<ul style="list-style-type: none"> • The current publications and frequency of those publications will remain the same in 2020 (The Anthem Way/Activities Guide and the Budget-in-Brief), with no significant change in costs.

Resolution 2019-R-01

*Anthem Community Council Board of Directors
Approval of the 2020 ACC Budget*

Anthem Community Council, Inc.
3701 W. Anthem Way, Suite #201
Anthem, Arizona 85086

The following resolution is duly adopted by the Board of Directors of the Anthem Community Council at a regular meeting of the Board of Directors on October 23, 2019.

WHEREAS, pursuant to section 4.16 of the Bylaws for the Anthem Community Council, The Council Board shall have all powers necessary to administer the Council's affairs and to perform the responsibilities and exercise the rights of the Council as set forth in the Council Documents, the governing documents of any Association, and as Arizona law provides for nonprofit corporations;

WHEREAS, section 6.1 of the Declaration of Covenants and Easements states that at least 75 days before the beginning of each fiscal year, the Council Board shall prepare a budget of the estimated Council expenses for the coming year, including reserve contributions. The budget shall reflect sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments and the amount to be generated through assessments authorized in the Community Covenant. The initial budget was presented on October 15, 2019 at a public meeting.

NOW THEREFORE BE IT RESOLVED, that the Board hereby adopts the 2020 Operating Budget for the Anthem Community Council as represented in Exhibit A, attached.

The undersigned, by affixing their signature hereto, do hereby consent to, authorize, and approve of the foregoing resolution in their capacity as Directors of the Anthem Community Council.

APPROVED this 23th day of October, 2019. *

Terry Mullarkey, President

Attested by: Darrin Francom, Secretary

* This resolution will take effect ten (10) days following the signed approval by the ACC Board President and Secretary.

ANTHEM COMMUNITY COUNCIL

2020 CONSOLIDATED OPERATING FUND BUDGET

EXHIBIT A

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	BUDGET PROPOSED 2020	BUDGET APPROVED 2019	2019 YEAR-TO-DATE Jan. - Sept.	ACTUAL RESULTS 2018
Assessments - Residential	8,249,955	8,201,505	6,280,159	8,174,749
Assessments - Commercial/non-residential	447,732	447,732	335,800	447,733
Assessments - Apartments & MultiUnit	331,830	315,600	236,708	315,611
Assessments - Benefited/Paseo	84,480	75,840	56,880	76,205
Community Programs Revenues	803,095	721,752	608,115	682,588
Special Events Revenues	124,900	121,625	96,381	141,810
Other "Hard" and "Soft" Revenues	13,975	37,175	17,235	22,722
Reimbursements - Legal & Other	155,000	155,000	218,825	217,047
Revenues - Rentals	403,180	384,800	279,155	383,786
Revenues - Resale & Disclosures	359,160	280,685	297,608	372,915
Enhancement Fees	749,860	679,960	736,084	921,621
Transfers to Enhancement Fund	(749,860)	(679,960)	(736,084)	(921,623)
Transfers to Reserve Fund	(1,800,000)	(2,220,000)	(1,665,000)	(2,100,000)
Other Non-Classified Incomes	82,904	121,212	88,796	155,422
TOTAL ASSESSMENTS & INCOME	9,256,210	8,642,926	6,850,661	8,890,585
Salaries & Payroll	721,243	650,439	574,948	643,654
Medical, Benefits & Taxes	92,178	121,111	77,413	97,597
Direct CC Program Expenses	285,490	285,374	198,169	277,617
Direct Special Events Expenses	183,010	165,475	116,978	131,990
TOTAL COMMUNITY PROGRAMS & EVENTS	1,281,920	1,222,399	967,509	1,150,858
TOTAL COMMUNITY INVOLVEMENT	171,535	185,005	104,836	149,663
TOTAL UTILITIES	1,110,800	1,038,100	754,820	992,063
TOTAL HUMAN RESOURCES	113,035	109,934	64,339	76,395
Salaries & Payroll - Parks / Facilities / Maintenance	714,406	642,377	480,108	639,487
Medical, Benefits & Taxes	178,744	169,221	117,467	160,861
Common Area Maintenance	13,880	11,500	10,165	8,010
R&M - Park Buildings	4,250	15,000	2,818	5,227
Community Center Maintenance	16,300	35,350	2,741	6,185
HVAC & Plumbing	50,868	48,420	31,921	36,999
Pools, Spas & Water Features	98,850	93,250	63,635	61,391
Irrigation	77,800	78,740	39,797	82,003
Tools, Janitorial Supplies, Lighting, Other	83,104	84,604	60,713	91,345
R&M - Facilities & Equipment	37,900	55,200	30,379	50,606
R&M - Grounds & Other	266,850	237,200	176,284	191,170
Repair, Replace & Maintain - All Other	132,650	158,274	118,904	194,002
TOTAL REPAIRS & MAINTENANCE	1,675,601	1,629,135	1,134,932	1,527,285
General Legal & Specialized Legal	220,400	186,500	187,990	203,805
CPA, Consulting, Professional & Other	138,500	133,975	96,830	183,647
TOTAL PROFESSIONAL	358,900	320,475	284,819	387,451
Property, Business, D&O Insurances	263,780	354,900	160,407	240,535
Bad Debt Expense	54,540	39,540	51,335	(23,658)
All Other Financial Expenses	119,745	116,378	82,455	63,863
TOTAL FINANCIAL	438,065	510,818	294,196	280,739
Landscape Contract	1,208,000	1,167,000	835,344	1,125,774
Janitorial and Sanitation Contract	440,836	391,387	296,118	378,036
Security & Other Service & Support Contracts	429,635	459,830	228,837	318,346
TOTAL CONTRACT SERVICES	2,078,471	2,018,217	1,360,299	1,822,157
Payroll - Civic Bldg & Community Center Admin	2,117,431	1,917,419	1,147,386	1,647,251
Medical, Benefits & Taxes	520,266	485,965	209,114	254,661
401k Programs & Administration	70,000	69,900	48,620	63,839
Office Consumables	30,200	47,248	18,489	27,537
Postage & Copies & Mailings	48,456	88,856	23,814	30,779
Office Equipment	12,500	14,180	7,404	5,302
Reimbursements	2,135	2,420	557	1,670
Dues & Subscriptions	9,700	15,184	5,940	14,812
Equipment Lease & Rentals	27,880	29,900	19,748	32,860
Voice, Cell & Data Services	88,145	153,035	52,864	70,040
Signs - Community Common Areas	4,485	5,700	4,582	10,129
Other General & Administrative	89,684	91,434	(62,484)	46,147
TOTAL GENERAL & ADMIN - CIVIC BLDG & COMM CNTR	3,020,882	2,921,242	1,476,034	2,205,027
TOTAL OPERATING COSTS	10,249,210	9,955,325	6,441,784	8,591,637
GROSS SURPLUS (DEFICIT)	(993,000)	(1,312,400)	408,877	298,948
LESS - Depreciation Expense	834,000	842,400	576,370	743,855
PLUS - Interest Income, Expense, Tax Accrual	68,000	30,000	64,562	66,895
LESS - Income Taxes - Federal & State	23,000	55,200	18,600	(36,603)
NET BOOK SURPLUS / (DEFICIT)	(1,782,000)	(2,180,000)	(121,530)	(341,409)
LESS - PROPOSED CAPEX	18,000	40,000	0	0
PLUS - BASE RESERVE CONTRIBUTION	1,800,000	2,220,000		2,220,000
BALANCE AFTER RESERVE PAYMENT	0	0		1,878,591

ANTHEM COMMUNITY COUNCIL

OPERATING FUND ONLY

BUDGET DETAIL STATEMENT

	2020 NEXT YEAR BUDGET	2019 Approved Budget	2019 Current Year 9 Mo Actual	2018 Prior Year Full YR Actual
ASSESSMENTS & INCOMES				
Assessments - Residential	8,249,955	8,201,505	6,280,159	8,174,749
Assessments - Commercial	447,732	447,732	335,800	447,733
Assessments - Apts & Multi-Unit	331,830	315,600	236,708	315,611
Assessments - Benefited/Paseo	84,480	75,840	56,880	76,205
Aquatics Revenue	21,800	20,340	25,110	29,337
Swim Team Revenue	161,625	177,665	125,784	139,787
Swim Lessons Revenue	45,300	34,048	46,916	35,926
Youth League Revenue	143,480	105,930	100,738	103,639
Adult League Revenue	2,400	15,300	-	16,055
Adventure Club Revenue	20,700	19,650	13,435	14,336
Children's Programs Revenue	17,171	13,700	4,857	14,245
Youth Camps	185,225	166,964	161,890	158,352
Teen Programs Revenue	15,550	9,650	2,150	5,340
Rock Wall Revenue	6,504	6,000	4,389	4,874
Fitness/Wellness Revenue	96,840	86,005	67,946	86,776
Tennis & Pickleball Revenue	86,500	66,500	54,899	73,921
Events - Anthem Days	58,125	58,125	65,362	64,143
Events - Music In May	9,500	9,500	10,640	10,476
Events - July 3rd	14,800	13,800	18,153	16,351
Events - AutumnFest	38,750	37,400	-	46,096
Events - Other	3,725	2,800	2,226	4,745
Internal Collections	45,000	45,000	60,398	52,257
Legal Collections Rebill Fees	87,500	87,500	111,196	118,661
Late Charges & Fees	22,500	22,500	47,230	46,129
Guest Fees/Passes	47,004	41,328	50,353	37,732
Non-Resident Revenue	15,000	3,504	16,710	19,034
Park Facility Rentals	160,972	184,180	105,959	161,815
ACB Room Rentals	35,000	45,000	27,286	48,009
Resale & Disclosure Revenue	359,160	280,685	297,608	372,915
Rental Income	207,208	155,620	145,911	173,961
ACB Program Revenue	1,600	2,000	2,627	3,879
Community Center Room Rent	12,296	12,380	8,950	12,402
NSF Fees Reimbursed	2,700	900	1,875	1,650
Vending Income / Sales	5,275	10,275	5,410	7,307
Architectural Fees	6,000	6,000	9,950	13,765
Other Income / Misc.	7,004	82,000	10,156	82,376
Enhancement Fees	749,860	679,960	736,084	921,621
Transfers to Reserve Fund (ACC)	(1,800,000)	(2,220,000)	(1,665,000)	(2,100,000)
Transfers to Enhancement Fund	(749,860)	(679,960)	(736,084)	(921,623)
TOTAL ASSESSMENTS & INCOME	9,256,210	8,642,926	6,850,661	8,890,585

PROGRAMS

Payroll - Aquatics	278,149	255,653	269,342	272,423
Payroll - Swim Team	106,666	113,019	63,371	102,357
Payroll - Swim Lessons	29,450	11,400	25,826	14,414
Payroll - Youth League	99,277	52,224	55,185	70,760
Payroll - Adult League	486	33,128	-	-
Payroll - Adventure	46,060	40,040	35,753	34,237
Payroll - Children/Teen Prog	3,187	3,812	35,670	55,415
Payroll - Youth Camp	140,205	125,719	77,838	68,924

ANTHEM COMMUNITY COUNCIL

OPERATING FUND ONLY

BUDGET DETAIL STATEMENT

	2020 NEXT YEAR BUDGET	2019 Approved Budget	2019 Current Year 9 Mo Actual	2018 Prior Year Full YR Actual
Payroll - Fitness / Rock wall	17,762	15,444	11,963	25,124
Payroll Taxes & Benefits - Aquatics	33,676	35,366	32,147	45,892
Payroll Taxes & Benefits - Swim Team	9,600	30,432	14,398	16,445
Payroll Taxes & Benefits - Swim Lessons	2,650	-	2,479	1,384
Payroll Taxes & Benefits - Youth League	23,953	16,263	11,149	14,084
Payroll Taxes & Benefits - Adult League	2,593	3,975	-	-
Payroll Taxes & Benefits - Adventure	364	-	3,432	3,287
Payroll Taxes & Benefits - Children's/Teen Prog	4,300	13,218	5,171	7,373
Payroll Taxes & Benefits - Youth Camp	13,442	19,539	7,472	6,617
Payroll Taxes & Benefits - Fitness / Rock wall	1,599	2,317	1,164	2,516
Aquatics Program Expense	29,255	27,285	30,928	32,466
Swim Team Expense	44,000	61,200	29,013	40,761
Swim Lesson Expense	3,000	1,200	2,360	952
Youth League Expense	49,356	23,627	14,434	23,848
Adult League Expense	-	6,542	-	5,133
Adventure Club Expense	640	640	737	756
Children/Teen Prog. Expense	8,103	11,292	2,563	10,392
Youth Camp Expense	21,718	21,233	14,781	17,754
Fitness / Rock wall Expense	74,442	77,879	53,998	73,656
Specialty Class Expense	1,500	1,000	2,288	3,736
Tennis Program Expense	53,476	53,476	43,014	59,045
User Credits / Other	-	-	4,053	9,117
Events - Anthem Days	40,075	38,165	35,857	34,962
Events - Music In May	29,175	23,925	24,643	19,258
Events - July 3rd	60,500	51,550	54,027	43,856
Events - Autumnfest	32,600	31,375	-	25,550
Events - Other	20,660	20,460	2,451	8,365
TOTAL PROGRAM COSTS	1,281,920	1,222,399	967,509	1,150,858

COMMUNITY INVOLVEMENT

Meeting & Community	9,000	10,660	6,939	7,481
Resident Relations	16,400	25,715	8,736	23,384
Anthem Neighborhood Watch	5,000	5,000	1,904	5,413
Website Expense	13,530	17,205	12,470	12,329
Resource Guide	59,325	59,175	46,995	57,988
Economic Development	800	2,000	4,213	8,948
Advertising & Marketing	50,480	51,450	22,143	18,711
All Other Community Involvement	17,000	13,800	1,435	15,410
TOTAL - COMMUNITY INVOLVEMENT	171,535	185,005	104,836	149,663

UTILITIES

Electricity	492,600	501,500	331,359	481,930
Water & Sewer	555,900	476,900	378,271	446,993
Gas	44,200	39,700	31,177	42,632
Gasoline/Propane	18,100	20,000	14,014	20,508
TOTAL UTILITIES	1,110,800	1,038,100	754,820	992,063

PROFESSIONAL

Legal Fees - General & Other	80,400	95,000	54,807	84,340
Legal Fees - Water	60,000	24,000	164	11,250
Legal Fees - Collections	80,000	67,500	133,019	108,215
CPA Services	45,000	31,300	30,495	27,328
Consulting Fees	10,000	24,000	750	11,087
Reserve Study	-	-	-	53,877

ANTHEM COMMUNITY COUNCIL

OPERATING FUND ONLY

BUDGET DETAIL STATEMENT

	2020 NEXT YEAR BUDGET	2019 Approved Budget	2019 Current Year 9 Mo Actual	2018 Prior Year Full YR Actual
Arch Review Expenses	-	12,000	2,820	11,150
Property Resale Fee Sharing	83,500	66,675	62,764	80,205
TOTAL PROFESSIONAL/CONSULTING	358,900	320,475	284,819	387,451

FINANCIAL

Bank Charges	1,560	32,200	22,720	23,453
Insurances	263,780	354,900	160,407	240,535
Collection Support Tools	4,540	4,540	1,573	4,346
Bad Debt Expenses	50,000	35,000	49,762	(28,004)
Taxes, Licenses & Fees	88,185	69,178	59,735	38,702
Insurance Claims	30,000	15,000	-	1,708
TOTAL FINANCIAL	438,065	510,818	294,196	280,739

REPAIRS & MAINT

Payroll	714,406	642,377	480,108	639,487
Payroll Taxes & Benefits	178,744	169,221	117,467	160,861
Common Area Maintenance & OWP	13,880	16,500	10,165	8,010
R & M - Park Buildings	4,250	10,000	2,818	5,227
Community Center Maintenance	16,300	35,350	2,741	6,185
Tools	9,000	12,000	7,625	18,133
Janitorial Supplies	28,600	27,800	22,379	25,064
R & M - Lighting	45,504	44,804	30,709	48,149
R & M - Landscaping-Tree Pruning/Plants/Seed/Sod	175,000	103,200	107,649	125,045
R & M - Sprinklers / Irrigation	77,800	78,740	39,797	82,003
R & M - HVAC & Plumbing	50,868	48,420	31,921	36,999
R & M - Pool/Spa Maintenance & Supplies	98,850	93,250	63,635	61,391
R & M - Playground & Equipment	16,700	20,500	14,979	24,044
R & M - Rock Wall - Maintenance / Inspection	1,200	2,000	923	3,243
R & M - Mailboxes	8,000	9,000	6,914	9,981
R & M - Fitness Equipment	12,000	23,700	7,563	13,337
R & M - Pest Control	5,050	7,150	2,433	6,348
R & M - Sports Fields	35,000	30,000	39,292	30,720
R & M - Tennis/Pickleball Courts	3,600	-	3,210	144
R & M - Lake	7,000	7,000	8,705	20,284
R & M - Hardware & Materials	1,200	1,400	638	666
R & M - Facilities Building	15,100	22,900	7,787	12,116
R & M - Facilities FF&E	3,800	1,000	1,614	3,511
R & M - Landscaping Other	43,000	64,000	18,112	23,871
R & M - Grounds Parks	10,250	40,000	8,021	11,390
R & M - Grounds - Granite	79,000	79,000	79,964	105,847
R & M - All Other	4,500	18,824	1,616	4,577
Vehicle Maintenance	8,500	9,500	9,509	15,042
Vandalism/Theft	8,500	11,500	6,637	25,611
TOTAL REPAIRS & MAINTENANCE	1,675,601	1,629,135	1,134,932	1,527,285

HUMAN RESOURCES

Recruitment & On-Boarding Services	9,740	8,588	4,708	7,230
Payroll / 401k Processing Fees	33,710	30,576	23,887	29,204
Employee Benefits & Incentives	30,100	21,750	21,100	19,409
Educational Expenses	29,200	39,375	9,595	13,205
Medical Supplies	3,085	3,045	561	1,176
Uniforms	7,200	6,600	4,488	6,170
TOTAL HR	113,035	109,934	64,339	76,395

SECURITY & INFRASTRUCTURE

Park Patrol Wages	88,822	68,227	42,889	65,276
Park Patrol Taxes	7,994	8,187	4,168	5,974
Outside Security Services	142,852	171,167	86,978	120,590

ANTHEM COMMUNITY COUNCIL

OPERATING FUND ONLY

BUDGET DETAIL STATEMENT

	2020 NEXT YEAR BUDGET	2019 Approved Budget	2019 Current Year 9 Mo Actual	2018 Prior Year Full YR Actual
Infrastructure Security Systems	32,000	78,000	16,920	21,743
TOTAL SECURITY	271,669	325,581	150,954	213,583

CONTRACT SERVICES

Sanitation & Janitorial Contract	440,836	391,387	296,118	378,036
Exterminating Contract	8,660	8,460	6,215	8,220
Landscape Contract	1,208,000	1,167,000	835,344	1,125,774
Lake Maint Contract	7,500	7,680	5,400	7,200
Pump Maint Contract	6,200	5,650	2,571	4,150
Fire Monitoring Contract	11,850	11,195	3,876	10,371
Window Cleaning Contract	13,920	13,920	8,965	11,145
Elevator Maintenance Contract	6,142	3,280	4,391	5,669
Data / IT Contract	91,968	73,000	38,784	45,973
Fitness Equip Contract	6,000	5,988	3,992	5,988
Street Sweeping Contract	5,727	5,076	3,690	6,047
TOTAL CONTRACT SERVICES	1,806,803	1,692,636	1,209,345	1,608,573

GENERAL & ADMIN

Wages - Administrative	2,117,431	1,917,419	1,147,386	1,647,251
Payroll Taxes & Benefits	520,266	485,965	209,114	254,661
401K Program	70,000	69,900	48,620	63,839
Office Expense	30,200	47,248	18,489	27,537
Printing & Copies	25,710	41,950	11,436	17,685
Postage	22,746	46,906	12,378	13,095
Office Equipment	12,500	14,180	7,404	5,302
Employee Relations	18,790	23,340	12,195	15,626
Mileage Reimb	2,135	2,420	557	1,670
Dues & Subscriptions	9,700	15,184	5,940	14,812
Equipment Lease	23,280	24,900	17,187	21,295
Equipment Lease/Rental	4,600	5,000	2,561	11,564
Telephone / Data / IT	88,145	153,035	52,864	70,040
Signs	4,485	5,700	4,582	10,129
Property Taxes	1,500	650	-	1,298
Gain or Loss on Operating Investment	(3,000)	(2,820)	(74,679)	29,223
Contingency	72,394	70,264	-	-
TOTAL GENERAL & ADMIN	3,020,882	2,921,242	1,476,034	2,205,027

TOTAL OPERATING COSTS	10,249,210	9,955,325	6,441,784	8,591,637
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GROSS SURPLUS (DEFICIT)	(993,000)	(1,312,400)	408,877	298,948
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Less - Depreciation Expense	834,000	842,400	576,370	743,855
Plus - Interest Income & Interest Expense	68,000	30,000	64,562	66,895
Less - Income Taxes - Federal & State	23,000	55,200	18,600	(36,603)

NET BOOK SURPLUS / (DEFICIT)	(1,782,000)	(2,180,000)	(121,530)	(341,409)
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LESS PROPOSED CAPEX	18,000	40,000	-	-
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SURPLUS / (DEFICIT) - FINAL (Cash Adjusted)	(1,800,000)	(2,220,000)	(121,530)	(341,409)
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BASE RESERVE CONTRIBUTION	1,800,000	2,220,000	2,220,000	2,220,000
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BALANCE AFTER RESERVE PAYMENT	(0)	0	1,878,591	1,878,591
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Anthem Community Council, Inc. - DRAFT
2020 Projected Capital Expenditures - Reserve Fund

2018 Reserve Study - Schedule for 2020 **1,977,530**
2020 Projected CapEx / Reserve Total **1,463,457**

Line Item Description	Anticipated Cost
CC - Bldg - Family Locker Room Remodel	25,200
CC - Bldg - Flooring - Wood Group Fitness	16,809
CC - FF&E - Cushion Chairs	10,985
CC - Fitness - LF Stretch Trainer	1,300
CC - Fitness - Precor Rec. Bike	10,000
CC - Fitness - Precor Upright Bikes	15,000
CC - Gym - Basket Winch Systems	3,183
CC - Kid Zone - Fencing (Wr. Iron) - Paint	435
CC - Kid Zone - Furniture	13,792
CC Unit 01 - Paint Common Walls	4,092
CC Unit 02 - Paint Common Walls	7,072
CC Unit 02A/ 19 - Paint Common Walls	7,072
CC Unit 03 - Paint Common Walls	6,123
CC Unit 04 - Paint Common Walls	151
CC Unit 04 - Paint Wrought Iron	16,469
CC Unit 05 - Paint Common Walls	3,944
CC Unit 06 - Paint Common Walls	4,719
CC Unit 09 - Paint Wrought Iron	15,488
CC Unit 10 - Paint Common Walls	3,744
CC Unit 11 - Paint Common Walls	4,069
CC Unit 12 - Paint Common Walls	10,876
CC Unit 13 - Paint Wrought Iron	19,693
CC Unit 15 - Paint Common Walls	11,115
Civic - Bldg - Fire Suppression System	15,450
Civic - Bldg - Interior HVAC Units	7,500
Civic - Bldg - Landscape (General)	5,000
Civic - Bldg - Poles, re-set out-of-plumb	6,365
Civic - Bldg - Riser Room Valves/Gauges	11,680
Civic - FF&E - General - AV Ipad Controllers (2)	1,500
Civic - FF&E - Kitchen - Microwave	800
Civic - Tech - Dell PowerEdge R5 Servers	31,000
Civic - Tech - Epson Projector	1,500
Civic - Tech - External HardDrive Raid 10	13,500
Civic - Tech - Floor 1 Welcome Computers (3)	3,090
Civic - Tech - Laptop Computers (13)	13,000
Civic - Tech - Laptop Computers (2)	4,200
Civic - Tech - Office Printers (13)	5,000
Civic - Tech - Security Hardware / Software	18,750
Civic - Tech - Sony Bravia 42" Monitors (2)	2,900
CP - Adventure Park - Splash Pad Reclaimed Water System - Replace	55,000
CP - Adventure PG - Paint Wrought Iron	2,500
CP - Adventure PG - Restroom - Repaint	2,228
CP - Adventure PG - Shade Fabric	2,875
CP - Adventure PG - Wrought Iron Fence	12,440
CP - Asphalt Seal Coat	31,744
CP - Concrete Repairs (Unscheduled)	10,000
CP - Grounds - Memorial (Unfunded)	3,183
CP - Hockey - Paint Light Poles	1,000
CP - Hockey - Paint Wrought Iron	1,000
CP - Hockey - Scoreboard	8,446
CP - LL Field #1 - Fencing and Gates (4)	24,000
CP - LL Field #2 - Fencing and Gates (7)	24,720
CP - Paint Metal Poles	1,652
CP - Paint Ramadas	16,974
CP - Paint Wrought Iron	1,500
CP - Park Equipment - BBQ Grills Double (2)	1,289
CP - Park Equipment - BBQ Grills Single (6)	3,000
CP - Park Equipment - Picnic Tables (18)	18,000
CP - Sail Shades	5,750
CP - SB Field #1 - Lighting (6 standards)	95,000
CP - SB Fields - Ice Machine	4,120
Sub-total	678,988

Line Item Description	Anticipated Cost
CP - Skate Park - Bleachers	3,024
CP - Skate Park - Paint Wrought. Iron	3,500
CP - Train Station - Paint Wrought Iron	2,500
CP - Volleyball Sand	8,359
General Playground Repairs	10,000
Ground - Brush clearance for Painting Projects	20,000
Grounds - Bollard Lights (336 ea @ \$2,700 ea)	84,000
Grounds - Brush clearance	20,000
Grounds - Exterior Irrigation Lines	25,000
Grounds - Pillar Lights (250 ea @ \$200 ea)	2,575
LB Park - Playstructures	20,000
LB Park - Sail Shades	24,720
LB Park - Water Feature Equipment	12,662
Mailbox - Annual Repair / Replace in Lieu of EUL Replace	50,000
Maintenance - Block Wall Repairs	80,000
Maintenance - Desktop Computers (2)	3,520
Maintenance - Laptop Computers (1)	1,650
Maintenance - Vehicle - 2003 KAWAS KAF30 ATV	14,000
Maintenance - Vehicle - 2005 Suzuki ATV	18,000
Maintenance - Vehicle - JD GatorPro	26,400
Miscellaneous Landscape Repairs	15,000
OWP - Granite Refresh	5,305
Pool - Coping Stones (Replace)	2,652
Pool - Shade Structure in Lieu of Umbrellas	7,725
Pool - Surge Tanks - Controllers	11,330
Pool - Surge Tanks - Modular Float Valve	7,004
Pool - Waterpark (Ongoing Repairs)	16,391
Pool Deck - Lane Line Rollers	6,695
Pool Deck - Plastic Chairs	3,825
Pool Equipment - Acid Room Repairs	1,639
Pool Equipment - Cover Motor (Lap)	2,266
Pool Equipment - Pump (Leisure)	21,218
Pool Equipment - Pump (Slides)	15,450
Pool Equipment - Pump (Wader)	1,485
Pool Play Area - Sail Shade	5,150
PS Unit 10 - Paint Wrought Iron	8,907
PS Unit 12 - Paint Wrought Iron	4,600
PS Unit 15 - Paint Wrought Iron	15,524
PS Unit 16 - Paint Wrought Iron	8,330
PS Unit 17 - Paint Wrought Iron	20,050
PS Unit 19 - Paint Wrought Iron	6,762
PS Unit 20A - Paint Block Walls	5,217
PS Unit 20A - Paint Wrought Iron	2,132
PS Unit 20B - Paint Block Walls	6,755
PS Unit 20B - Paint Wrought Iron	9,240
PS Unit 20C - Paint Block Walls	6,004
PS Unit 20C - Paint Wrought Iron	6,886
PS Unit 21A - Paint Block Walls	3,060
PS Unit 21A - Paint Wrought Iron	14,165
PS Unit 21B - Paint Block Walls	6,419
PS Unit 21B - Paint Wrought Iron	11,377
PS Unit 23 - Paint Wrought Iron	24,152
PS Unit 31 - Paint Block Walls	3,844
PS Unit 43 - Paint Block Walls	9,885
PS Unit 55 - Paint Block Walls	14,240
PS Unit 77 - Paint Wrought Iron - Retention Basin	1,234
PS Unit W32 - Paint Block Walls	8,282
Sidewalk Repair	25,000
Tennis Courts - Paint Tennis Bldg	4,856
Tennis Courts - Paint Walls	2,336
Tennis Courts - Paint Wrought Iron	685
Tennis Courts - Shade Structures(B)	1,485
Sub-total	784,469

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Independently Owned and Operated
14539 W. Indian School Road, Suite #880
Goodyear, Arizona 85395
TEL 480 218-1969

October 3, 2019

Mr. Neal Shearer
Community Executive Officer
Anthem Community Council (ACC)
3701 W. Anthem Way, Ste. #201
Anthem, Arizona 85086

PROPERTY: ANTHEM PLANNED UNIT DEVELOPMENT
ANTHEM, ARIZONA

SERVICE: FUNDING UPDATE - FULL PROPERTY EVALUATION AND RESERVE FUND ANALYSIS

ATTACHMENT: UPDATED FUNDING PLAN FINANCIALS

Dear Members of the Anthem Community Council:

As requested, Criterium-Kessler Engineers has reassessed and updated the reserve study contribution plan to provide a more gradual increase in contribution rates for the next five years (2020 – 2024). The revised and recommended plan results in a fully funded reserve allocation over the 30-year planning period (ending in 2048), while providing the ACC more flexibility to prioritize and allocate annual operating funds to meet near-term community needs. This letter outlines the changes and includes the attached revised financial analysis charts for the ACC's consideration and use.

Please note that this is not a full reserve study update. To ensure consistency of data and results, the financial analysis for this update was performed using the same data that was collected and utilized during the original study in 2018. No assets were added or removed; no prices were adjusted nor estimates changed. No other changes have been made to the original study provided by Criterium-Kessler Engineers on October 24, 2018 other than those made to the funding contribution plan listed below.

The ACC has an actual Reserve Fund Balance of \$16.7M as of August 2019. This exceeds the original projections and reflects an even stronger financial position for the community than anticipated in the current funding plan.

Current Funding Plan:

The current funding plan, implemented for fiscal 2019, results in sufficient funding to meet long-term reserve requirements throughout the planning period (through 2048). Reserve funds remain above the recommended \$7.5M minimum threshold with the exception of the last three years (2045 – 2048). Key points of the current funding plan include:

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- ✓ \$2.221M allocated annually for the reserve fund between 2018 and 2028 (11 Years with no projected increase)
- ✓ Beginning in Year 12 (2029), this amount would be increased at 3% annually (projected rate of inflation) for the remainder of the 30-year planning period

For detailed data, please refer to the attached tables and graphs titled “Capital Reserve Fund – Current Adopted Funding Plan”

Recommended Funding Plan:

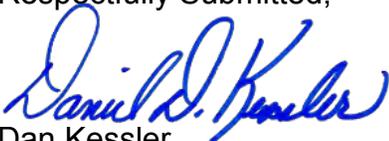
The revised and recommended plan continues to maintain sufficient funding to meet long-term reserve requirements through the planning period (through 2048). Key points of the modified funding plan include:

- ✓ The total annual allocation of funds directed to the reserve fund is initially reduced, and then slowly increased according to the following schedule:
 - \$1.8M allocation to the reserve fund in Year 3 (2020)
 - \$1.9M allocation to the reserve fund in Year 4 (2021)
 - \$2.0M allocation to the reserve fund in Year 5 (2022)
 - \$2.1M allocation to the reserve fund in Year 6 (2023)
 - \$2.2M annual allocation to the reserve fund in beginning in Year 7 and continuing through Year 10 (2024 - 2028) – no increases
 - Beginning in Year 11 (2029), this amount would be increased 3% annually (projected rate of inflation) for the remainder of the 30-year planning period
- ✓ The original minimum threshold of \$7.5M was higher than a typical conservative threshold, and in Criterium-Kessler Engineers’ professional opinion, it was reasonable and prudent to reduce it to \$5.0M

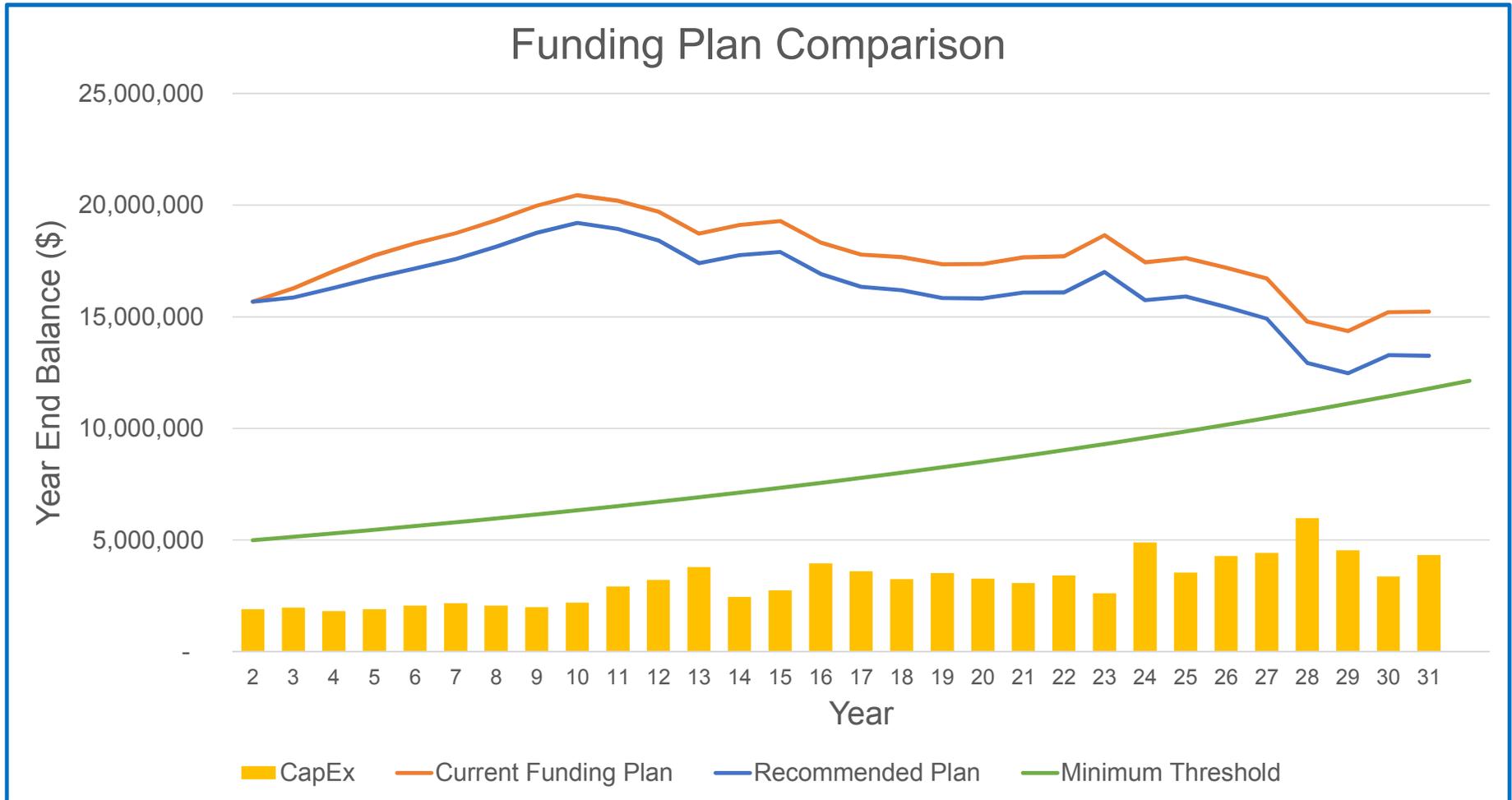
Reserve funds remain above the recommended and revised \$5.0M minimum threshold through the entire 30-year planning period, resulting in a fully funded reserve allocation for the community. For detailed data, please refer to the attached tables and graphs titled “Capital Reserve Fund – Funding Plan – Recommended”

Thank you for your continued confidence in Criterium-Kessler Engineers.

Respectfully Submitted,


Dan Kessler
President
Criterium-Kessler Engineers





Capital Reserve Fund - Current Adopted Funding Plan
 No Change to Contribution



Contribution Details

	Total/Month	Total Annual	Per Unit/Month	Per Unit/Year
First Year	\$ 185,083	\$ 2,221,000	\$ 17.80	\$ 213.56
Last Year	\$ 334,281	\$ 4,011,373	\$ 32.14	\$ 385.71

Number of Units:	10400
Fiscal Year starts:	01/01/19
Reserve Funds at start	\$ 15,024,329
Rate of Return on Reserve Funds (%)	2.25%
Inflation Rate (%)	3.00%
Initial Minimum Threshold	\$ 7,500,000

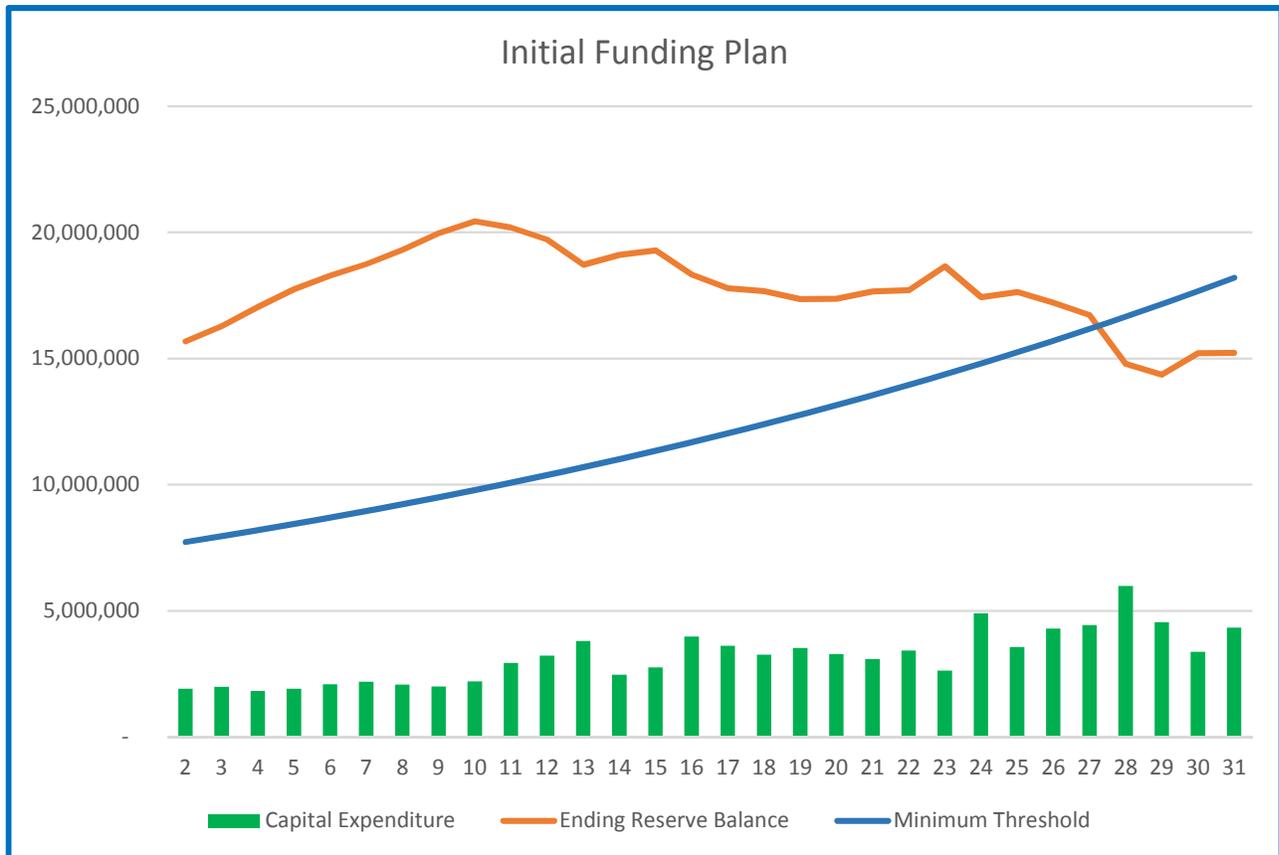
Special Assessments		
Year	Total/Year	Per Unit
		\$ -
		\$ -
		\$ -

SUMMARY

No change to the currently adopted plan of

"Increase Annual Contribution to \$2,221,000 YR 2 (2019) then Annual increase with inflation (3%) YRS 12 - 30 (2029 - 2048)"

No Special Assessments



Capital Reserve Fund - Current Adopted Funding Plan
No Change to Contribution



Year	Fiscal Year	Beginning Reserve Balance	Revenue	Special Assessment	Investment Earnings	Capital Expenditure	Ending Reserve Balance	Minimum Threshold
2018	1	14,405,276	2,221,000	-	324,119	1,926,066	15,024,329	7,500,000
2019	2	15,024,329	2,221,000	-	338,047	1,900,350	15,683,027	7,725,000
2020	3	15,683,027	2,221,000	-	352,868	1,977,530	16,279,365	7,956,750
2021	4	16,279,365	2,221,000	-	366,286	1,822,545	17,044,106	8,195,453
2022	5	17,044,106	2,221,000	-	383,492	1,899,592	17,749,006	8,441,316
2023	6	17,749,006	2,221,000	-	399,353	2,080,946	18,288,413	8,694,556
2024	7	18,288,413	2,221,000	-	411,489	2,178,970	18,741,933	8,955,392
2025	8	18,741,933	2,221,000	-	421,693	2,070,428	19,314,198	9,224,054
2026	9	19,314,198	2,221,000	-	434,569	1,997,973	19,971,795	9,500,776
2027	10	19,971,795	2,221,000	-	449,365	2,200,660	20,441,500	9,785,799
2028	11	20,441,500	2,221,000	-	459,934	2,927,999	20,194,434	10,079,373
2029	12	20,194,434	2,287,630	-	454,375	3,222,330	19,714,109	10,381,754
2030	13	19,714,109	2,356,259	-	443,567	3,795,088	18,718,847	10,693,207
2031	14	18,718,847	2,426,947	-	421,174	2,461,861	19,105,107	11,014,003
2032	15	19,105,107	2,499,755	-	429,865	2,746,741	19,287,986	11,344,423
2033	16	19,287,986	2,574,748	-	433,980	3,967,878	18,328,835	11,684,756
2034	17	18,328,835	2,651,990	-	412,399	3,605,037	17,788,188	12,035,298
2035	18	17,788,188	2,731,550	-	400,234	3,252,426	17,667,546	12,396,357
2036	19	17,667,546	2,813,496	-	397,520	3,524,677	17,353,885	12,768,248
2037	20	17,353,885	2,897,901	-	390,462	3,276,129	17,366,120	13,151,295
2038	21	17,366,120	2,984,838	-	390,738	3,077,910	17,663,786	13,545,834
2039	22	17,663,786	3,074,383	-	397,435	3,425,000	17,710,605	13,952,209
2040	23	17,710,605	3,166,615	-	398,489	2,622,368	18,653,341	14,370,776
2041	24	18,653,341	3,261,613	-	419,700	4,897,636	17,437,018	14,801,899
2042	25	17,437,018	3,359,462	-	392,333	3,552,295	17,636,518	15,245,956
2043	26	17,636,518	3,460,246	-	396,822	4,294,009	17,199,576	15,703,334
2044	27	17,199,576	3,564,053	-	386,990	4,429,640	16,720,980	16,174,435
2045	28	16,720,980	3,670,975	-	376,222	5,985,319	14,782,857	16,659,668
2046	29	14,782,857	3,781,104	-	332,614	4,538,876	14,357,700	17,159,458
2047	30	14,357,700	3,894,537	-	323,048	3,367,693	15,207,592	17,674,241
2048	31	15,207,592	4,011,373	-	342,171	4,332,845	15,228,291	18,204,469

Capital Reserve Fund - Funding Plan - Recommended
 Lump Sum Decrease Year 3 (2020)
 Lump Sum Increase Years 4 - 7
 Annual Increase with Inflation Years 12 - 31



Contribution Details

	Total/Month	Total Annual	Per Unit/Month	Per Unit/Year
Third Year	\$ 150,072	\$ 1,800,864	\$ 14.43	\$ 173.16
Last Year	\$ 334,281	\$ 4,011,373	\$ 32.14	\$ 385.71

Number of Units:	10400
Fiscal Year starts:	01/01/19
Reserve Funds at start	\$ 15,024,329
Rate of Return on Reserve Funds (%)	2.25%
Inflation Rate (%)	3.00%
Initial Minimum Threshold	\$ 5,000,000

SUMMARY

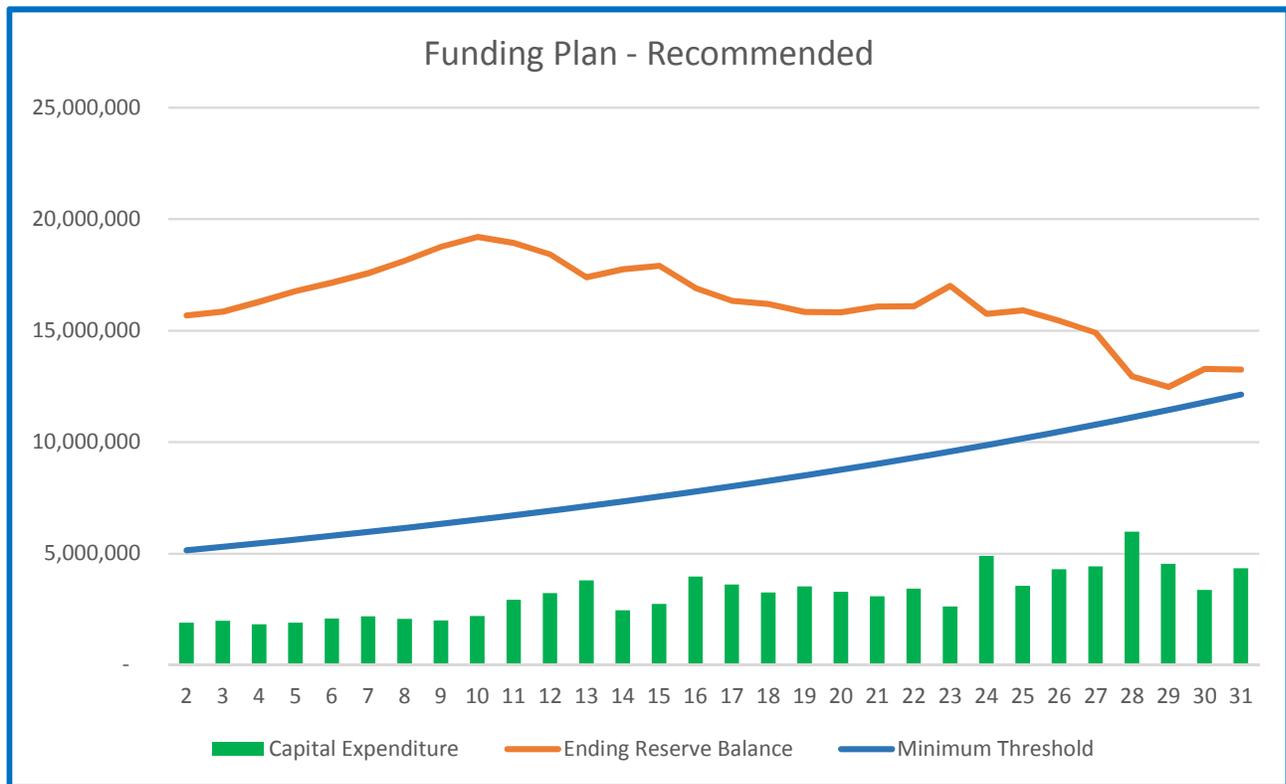
Decrease Annual Contribution to \$1,800,864 YR 3 (2020)

Increase Annual Contribution by ~\$100,000 YRS 4 - 6 (2021 - 2023)

Increase Annual Contribution to \$2,221,000 YRS 7 - 11 (2024 - 2028)

Annual increases with inflation (3%) YRS 12 - 31 (2029 - 2048)

Special Assessments		
Year	Total/Year	Per Unit
		\$ -
		\$ -
		\$ -



Capital Reserve Fund - Funding Plan - Recommended
 Lump Sum Decrease Year 3 (2020)
 Lump Sum Increase Years 4 - 7
 Annual Increase with Inflation Years 12 - 31



Year	Fiscal Year	Beginning Reserve Balance	Revenue	Special Assessment	Investment Earnings	Capital Expenditure	Ending Reserve Balance	Minimum Threshold
2019	2	15,024,329	2,221,000	-	338,047	1,900,350	15,683,027	5,150,000
2020	3	15,683,027	1,800,864	-	352,868	1,977,530	15,859,229	5,304,500
2021	4	15,859,229	1,900,704	-	356,833	1,822,545	16,294,221	5,463,635
2022	5	16,294,221	2,000,544	-	366,620	1,899,592	16,761,793	5,627,544
2023	6	16,761,793	2,100,384	-	377,140	2,080,946	17,158,371	5,796,370
2024	7	17,158,371	2,221,000	-	386,063	2,178,970	17,586,465	5,970,261
2025	8	17,586,465	2,221,000	-	395,695	2,070,428	18,132,732	6,149,369
2026	9	18,132,732	2,221,000	-	407,986	1,997,973	18,763,746	6,333,850
2027	10	18,763,746	2,221,000	-	422,184	2,200,660	19,206,270	6,523,866
2028	11	19,206,270	2,221,000	-	432,141	2,927,999	18,931,412	6,719,582
2029	12	18,931,412	2,287,630	-	425,957	3,222,330	18,422,668	6,921,169
2030	13	18,422,668	2,356,259	-	414,510	3,795,088	17,398,349	7,128,804
2031	14	17,398,349	2,426,947	-	391,463	2,461,861	17,754,898	7,342,669
2032	15	17,754,898	2,499,755	-	399,485	2,746,741	17,907,397	7,562,949
2033	16	17,907,397	2,574,748	-	402,916	3,967,878	16,917,183	7,789,837
2034	17	16,917,183	2,651,990	-	380,637	3,605,037	16,344,773	8,023,532
2035	18	16,344,773	2,731,550	-	367,757	3,252,426	16,191,655	8,264,238
2036	19	16,191,655	2,813,496	-	364,312	3,524,677	15,844,787	8,512,165
2037	20	15,844,787	2,897,901	-	356,508	3,276,129	15,823,067	8,767,530
2038	21	15,823,067	2,984,838	-	356,019	3,077,910	16,086,014	9,030,556
2039	22	16,086,014	3,074,383	-	361,935	3,425,000	16,097,333	9,301,473
2040	23	16,097,333	3,166,615	-	362,190	2,622,368	17,003,770	9,580,517
2041	24	17,003,770	3,261,613	-	382,585	4,897,636	15,750,332	9,867,933
2042	25	15,750,332	3,359,462	-	354,382	3,552,295	15,911,881	10,163,971
2043	26	15,911,881	3,460,246	-	358,017	4,294,009	15,436,136	10,468,890
2044	27	15,436,136	3,564,053	-	347,313	4,429,640	14,917,862	10,782,956
2045	28	14,917,862	3,670,975	-	335,652	5,985,319	12,939,169	11,106,445
2046	29	12,939,169	3,781,104	-	291,131	4,538,876	12,472,529	11,439,638
2047	30	12,472,529	3,894,537	-	280,632	3,367,693	13,280,004	11,782,828
2048	31	13,280,004	4,011,373	-	298,800	4,332,845	13,257,332	12,136,312

anthem

community council

Memorandum

To: ACC Board of Directors

From: Neal Shearer, Community Executive Officer

Date: October 17, 2019

Re: **Landscape Maintenance Services Contract**

Recommendation

It is recommended that the Board authorize the CEO to finalize and execute a contract for landscape maintenance services with DLC Resources for an initial two-year term beginning Jan. 1, 2020.

Background

Anthem is well known and highly regarded for the overall beauty and design of landscaping features throughout the community. Because of the critical importance of this work, the ACC has historically contracted with professional landscape maintenance companies that specialize in serving high quality communities. The ACC has contracted with BrightView Landscape Services (formerly ValleyCrest) since 2011.

The ACC's landscape service areas have expanded in the past few years, and in order to evaluate the current marketplace and service providers, the Board directed Staff to develop and issue a comprehensive Request for Proposals (RFP) for landscape maintenance services in 2020 and beyond. This RFP was targeted at landscape maintenance contractors with a proven track record of excellence in serving properties with comparable size, scope, and quality standards to Anthem.

Because many parcels of land owned by the ACC are adjacent to land owned by the Anthem Parkside Community Association (Parkside), it has been advantageous for both entities to use the same landscape maintenance contractor for continuity of services, and for economies of scale and other efficiencies. It is for this reason that the ACC and Parkside collaborated on this RFP process.

Excellent Response to the RFP

On Aug. 6, separate RFPs for the ACC and Parkside were transmitted to major landscape contractors and posted on the ACC's website. On Aug. 15, fourteen landscape contractors attended the mandatory pre-bid conference. A total of nine highly reputable landscape maintenance contractors submitted proposals on or before the Sept. 3 deadline.

Evaluation Criteria and Selection Process

As stipulated in the RFP, the contract will be awarded to the most responsible and qualified bidder based on the following:

- *Responsiveness.* This addresses how well the proposal meets the requirements set forth in the RFP, including the clarity and completeness of submittal materials, and an overall understanding of the scope and complexity of the landscape services to be provided.
- *Qualifications and Capacity to Perform.* This addresses the contractor's background; stability and experience with comparable landscape maintenance contracts and service areas; track record in delivering high quality and meticulous landscape care with comparable communities/accounts; relevant experience and qualifications of key personnel that would oversee the ACC's contract; contractor's capacity to provide the necessary labor force and equipment to excel in the performance of their duties; references from comparable service accounts; site visits and relevant observations; and the interview process (if invited).
- *Pricing and Incentives.* This addresses the contractor's proposed fee structure for base contract services, unit pricing, and incentives. While the pricing and incentives are important considerations and will be critical factors in the final decision, this is not a "low bid"-based decision process. The combination of criteria outlined above will be evaluated to select the most responsible and qualified contractor that provides optimal value to the ACC and the community.

An evaluation team consisting of Board and Staff representing both the ACC and Parkside evaluated and discussed the written proposals, and reached consensus on three highly qualified and reputable finalist firms to be invited to interview. Based on the interviews and proposals, subsequent due diligence involving site visits and reference checks, and in considering the totality of information available, the evaluation team recommended DLC Resources as the most responsible and qualified contractor.

DLC is a locally based, employee-owned firm that specializes in serving large-scale HOAs and master planned communities. Their client list includes some of the most attractive master planned communities in the Phoenix area, including Desert Mountain, Verrado, Grayhawk, and Vistancia.

DLC is very familiar with Anthem, as they were the ACC's service provider from 2005-2010, and have served the Anthem Country Club Community Association (Country Club) for the past

twelve years. With this recommendation and Board approval, DLC Resources will have an experienced and integrated three-person management team based in Anthem and dedicated only to the ACC, Parkside and the Country Club. This management team will consist of a full-time Field Manager and two full-time Supervisors (one overseeing the ACC and Parkside areas and one overseeing the Country Club). DLC will provide dedicated crews and equipment for each of the above accounts.

Contract Term and Pricing

The initial contract term is two years with options for four additional two-year terms. DLC is offering highly competitive base and unit pricing, and attractive incentives that are fixed for the initial contract term.

Attached is a copy of DLC's comprehensive proposal which incorporates a copy of the ACC's RFP and the draft Landscape Maintenance Services Agreement included in the RFP. The draft services agreement or contract outlines the scope of work and contract terms and conditions. If this recommendation is authorized by the Board, the CEO will meet with DLC to ensure that the contract is clear and inclusive of the Board's input, prior to finalizing and executing it on behalf of the ACC.

Attachment:

- DLC's Proposal including the ACC's RFP and Draft Services Agreement

Landscape Management Proposal | September 2019

Anthem Community Council





3229 W. Mohave Street, Phoenix, Arizona 85009
Phone (602) 241-1600 Fax (602) 268-6678

ROC 084804-A
www.dlcreources.com

John Holbert
CEO

Lauren Cameron
Anthem Community Council
3701 W. Anthem Way, Suite 201
Anthem, AZ 85086

Dear Lauren Cameron,

Enclosed you will find DLC Resources Inc's full response to your Request for Proposals issued August 6, 2019.

We hope it is obvious in our proposal how eager we are to work with Anthem Community Council again. We truly feel we are the best landscape management company to care for your complex landscape, and we know we have the experience and expertise to be successful.

We have more than 30 years of experience caring for common area landscapes in the Greater Phoenix Valley. In fact, that's all we do. All of our processes are designed around the needs of complex HOA landscape maintenance. As such, we've thoroughly refined our processes and are able to deliver superior landscape services to Anthem Community Council. You can read more about our experience working in large-scale HOAs and our services [here](#).

[Here](#) you will find detailed plans for how we will approach working at Anthem Community Council. Because your common area landscape is so large and complex, planning will be at the core of how we work. It will allow us to provide you with consistent curb appeal and help us make sure your amenities are being well-taken care of and our work will coincide with your active calendar of events. Examples of our planning and reporting documents can be found [here](#).

We understand that a high level of service is required for Anthem Community Council, and it will take expertise and experience to be successful there. We will dedicate a well-rounded, well-trained team of experts to your Community. We have included biographies of key team members [here](#).

Part of DLC's company culture is following through on our promises — in short, doing what we say we're going to do and holding ourselves accountable. When we agree to take on your scope of work, we go to work each day to make sure all provisions in it are being met and you're getting the results you expect. As such, we do not foresee any other contract impacting our capacity to excel in your landscape.

If you have any questions about any of the information in this proposal or anything else related to your landscape, please don't hesitate to contact me at 602-721-6718.

Sincerely,

John Holbert
CEO, DLC Resources, Inc.



INTRODUCTION

With **30 years of experience** in landscape, water and arbor management, DLC Resources, Inc., provides superior landscape management services to communities across greater Phoenix.

As an **Arizona-based company**, we are well-versed in the challenges of keeping plants, trees and turf not only healthy but flourishing in our desert environment while still being respectful of the important water management concerns of our city and state.



WHY CHOOSE DLC

With a focus only on Community Associations, our field managers are dedicated to a small number of communities. This supports our ability to develop strong relationships and understand the specific challenges and subtle requirements of each Community we serve.

THE LANDSCAPE MANAGEMENT EXPERTS

We strive to be the experts in landscape management. We understand that providing the highest quality services requires continued education and certifications for our staff. With more certifications than our top competitors combined, our experts in landscape, arbor, water and special project management are ready and able to address any challenges your Community may face.



DEDICATED TO QUALITY & SERVICE

DLC was founded on two simple principles: provide the highest quality landscape management and offer exemplary customer service for our clients. Since our inception, our daily practices have been rooted in these principles, and our exceptional client retention year after year is a testament to our efforts.



OUR PROFESSIONALISM

We know that trust is earned. This is why we provide a worry-free experience by being proactive about keeping your Community beautiful. We often identify and eliminate problems before most homeowners even know they exist. Our experts are continually looking for ways to make your Community look and function better, while at the same time reducing costs.



LEADING THE INDUSTRY

DLC uses state-of-the-art technologies to efficiently and effectively manage the communities we serve. Technologies — such as our proprietary landscape asset mapping program — allow our team to identify and monitor trouble spots and proactively address new issues effectively the first time. These extra efforts continually result in better-looking common areas and more peace of mind for homeowners.



PEACE OF MIND

It's a privilege to work in your Community, and our focus on courtesy and safety in our work extends to each Community we serve. While on site, our dedicated community teams seek to reduce disruptions and work toward a safe environment for residents and our staff. Your homeowners and their guests will experience the difference in the beauty of your Community and also in the quality of the interactions they have with our crews.





THE DLC DIFFERENCE

DLC is the right choice for Anthem Community Council because we offer the **highest level of professionalism and expertise in the landscape management industry.** In addition to the highly trained crew that is dedicated to Anthem Community Council, our teams of specialized experts in water management, comprehensive arbor management and special projects help manage and enhance details of your Community.



IT STARTS WITH OUR PEOPLE

What separates DLC from our competitors? Nearly 300 employees with 100 industry certifications, all under one roof. Our team of Certified Arborists, irrigation specialists and landscape experts assist our clients in all aspects of maintaining and improving the communities in which we work. At DLC, we understand that the right people for the job is just as important as the job itself.



SET UP TO SUCCEED

DLC spends up to 25% more time working on site at your Community than our competitors. How? We provide high quality, reliable tools and equipment to our crews to limit unproductive down time. Our in-house mechanics keep our equipment and fleet of vehicles well maintained, keeping our crews focused solely on caring for your Community. We maximize time spent working at your Community by chipping plant material onsite, eliminating trips to the dump.



INTEGRATION INTO YOUR COMMUNITY

We invest time and energy in building strong relationships in each Community by providing educational seminars and workshops for any and all residents. These efforts build trust and support open communication so residents can ask questions, learn about their landscape and familiarize themselves with DLC.



DETAILED PLANNING

To ensure the highest quality in service, our experienced DLC field manager, branch manager and on-site supervisor have frequent meetings with the Community Manager and board to review timelines, budgets and prioritize goals for the Community. This not only provides the foundation for managing the Community but also helps define clear expectations and a road map for the future.



EMPLOYEE OWNED

In 2009, DLC began transitioning ownership of the company to an Employee Stock Ownership Plan (ESOP). As employee owners, our crews take additional pride in caring for your Community. When we say 'We truly care,' we mean it!



ALL THE SERVICES YOU NEED...UNDER ONE ROOF

In addition to the highly trained crews that will be taking care of your landscape each day, we have in-house teams of specialized experts to help you proactively manage your water usage, care for your trees and manage a variety of other special projects and needs.

Water Management

WATER DONE RIGHT

Water is a precious commodity. Misuse is not only wasteful, but can cost your Community greatly. With tight allocations by the Arizona Department of Water Resources (ADWR), managing water has never been more vital. DLC has established the industry-leading WaterRight© program that is proven to keep your Community looking beautiful while dramatically reducing water use and waste. Our water management program doesn't just keep your plants healthy and flourishing, it adds value to the contract and the Community.

A LITTLE GOES A LONG WAY

Overwatering by landscape companies is common in desert landscapes. Since landscape management providers are not financially responsible for the water bills, they often pay insufficient attention to irrigation water use. DLC manages roughly 2 billion gallons of water each year, which carries a tremendous amount of responsibility. Rather than overwater the landscape, we calculate the exact amount of water needed to maintain each individual plant's health and keep your landscapes beautiful.

MONITORING RESTRICTIONS AND SAVING MONEY

Many of the communities we manage abide by strict water allocation restrictions from ADWR. These allocations are tightly scrutinized and overages can be costly to a community. DLC not only keeps all of our communities under budget, we save them 20-30% more than their other contractors without compromising quality or depriving landscapes of necessary irrigation.

OUR WATER GUARANTEE

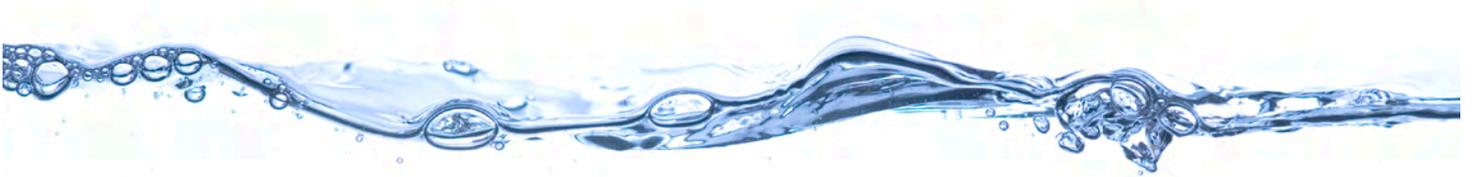
Our WaterRight Program was created for one reason: to save water. We are so confident in our water management that we'll guarantee our yearly water usage. If we go over our guarantee amount, we pay the bill.

Now that's a guarantee you will not find any where else in the industry!

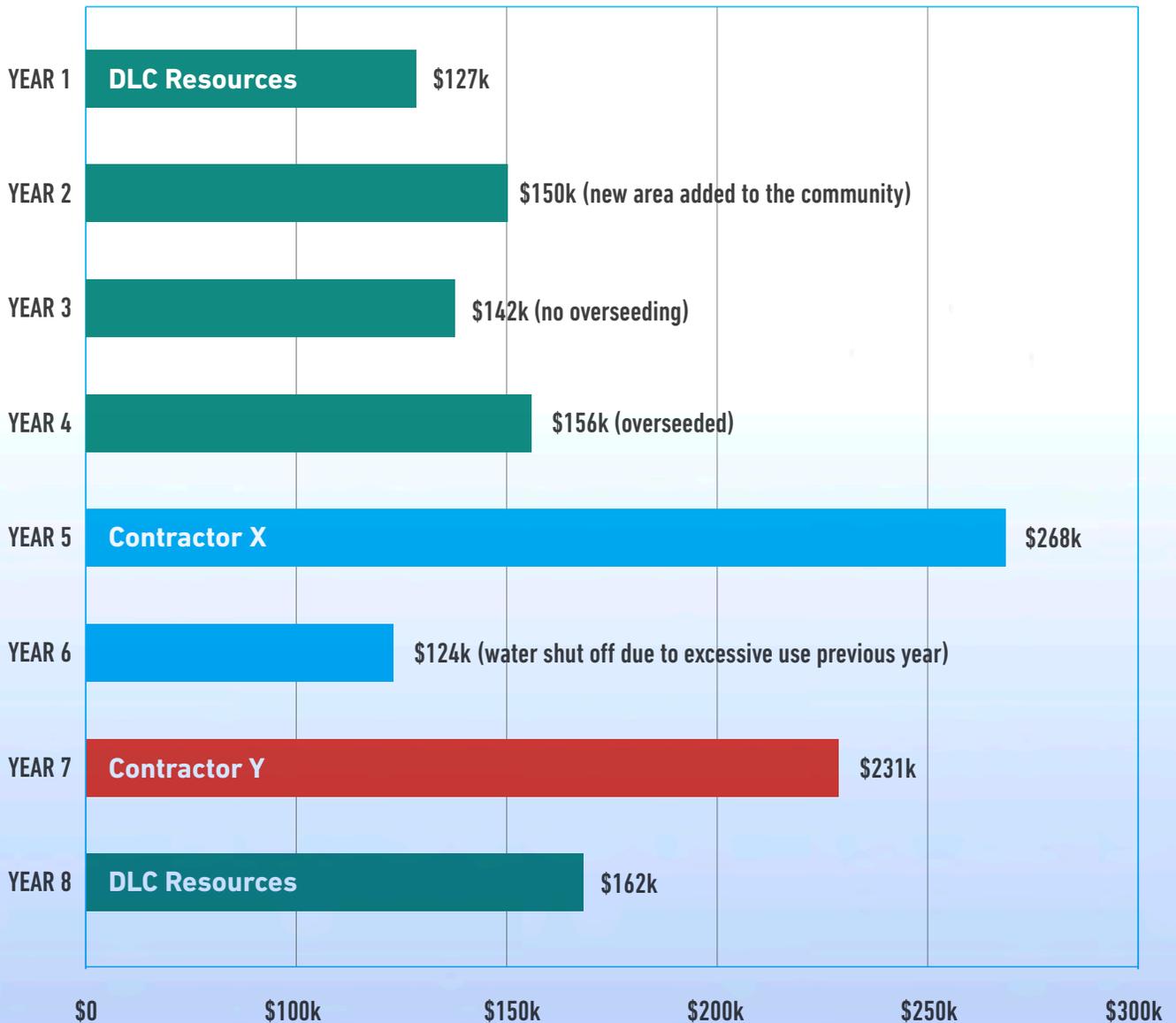


CASE STUDY: WATERRIGHT

The total cost of landscaping is more than just the monthly fee. If your irrigation water isn't managed properly, your water bill can skyrocket. Take the following comparison data from one of our Communities for example:



Cost of Water for Community



DLC Saved more than \$69,000 — or 30 % — in water costs without compromising quality!



Comprehensive Arbor Management

Trees often are the single most valuable asset in a landscape. They set the overall design theme and are worth millions of dollars. Trees can be a difficult asset to manage because they are often never fully accounted for and mapped. DLC's Comprehensive Arbor Management Program goes beyond pruning the trees. We inventory each one of your trees, calculate their value and recommend future tree care planning to nurture your trees for years to come.

CERTIFIED ARBORISTS LEADING THE WAY

Protecting your arbor investment is our priority at DLC. This starts by having the most experienced and knowledgeable crews. We invest highly in education and are proud to have one of the largest teams of International Society of Arboriculture (ISA) Certified Arborists, Certified Tree Workers and trained tree climbers in the state. In fact, unlike our competitors, ALL of our tree crews are led by a dedicated ISA Tree Worker. A skilled Certified Arborist develops the plan for your trees and our Certified Tree Worker ensures your trees are safely and carefully pruned to promote healthy and prosperous growth. The protection and cultivation we offer is a difference you will see!



SEEING THE FOREST THROUGH THE TREES

Tracking and managing each and every tree in your common area can be overwhelming for a community. Fortunately, DLC's proprietary GIS mapping programming makes light work of the task. Your ISA Certified Arborist will utilize this program to inventory and manage your trees, develop a strategic approach to maintenance, monitor potential risks and establish a historical record for every tree on site. This comprehensive approach ensures that all of your trees are cared for efficiently and effectively.



Special Projects

BEYOND MAINTENANCE

While managing your landscape, water and tree assets is our highest priority, we have the ability to address other details of your community in-house. Our Special Projects Team has more than 90 combined years of experience and know how to get the job done efficiently and with the best-looking and most cost-effective results for your community.

Our Special Projects Team offers:



CULVERT MANAGEMENT



POLY TO PVC REPLACEMENT



WASH CLEAN UP



EROSION MITIGATION



IRRIGATION SYSTEM WATER ANALYSIS





THE ANTHEM COMMUNITY COUNCIL PLAN

Simply put, DLC Resources is the right choice. As the only landscape maintenance provider in the Phoenix Valley that focuses solely on serving large-scale HOA Communities, DLC is uniquely positioned to provide you with the high-quality landscape and service you expect. Through our careful planning processes and emphasis on partnership, we'll give you stunning curb appeal and top-notch service befitting Anthem Community Council.



OUR COMMITMENT TO ANTHEM COMMUNITY COUNCIL



Dear Anthem Community Council Board and Community Management,

Your landscape is more than just turf, trees and shrubs. It's a crucial part of the Anthem Community Council identity and way of life. There's no question that your common areas need to be actively managed to maintain your high-quality curb appeal and keep your amenities in peak condition.

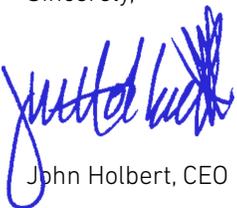
DLC Resources, Inc., is the right landscape management company to do just that. In fact, we successfully managed your landscape from 2005 to 2010. Not only do we have the know-how, man-power and company structure to expertly care for your landscape, we also have the passion and heart to truly understand your needs, put your interests first and build a strong partnership with your Community.

We're committed to:

- **Meeting your expectations for high quality curb appeal throughout** Anthem Community Council by fulfilling your entire scope of work and providing a clean, consistent look season after season and year after year.
- **Supporting the Anthem Community Council way of life** by expertly caring for your main park, sports fields, aquatic center, Veterans' Memorial and other amenities so that they're always ready for residents.
- **Implementing forward-thinking plans and processes** that will care for your landscape today and help set a good foundation for the future.
- **Keeping your best interests in mind by offering expert advice, guidance and expertise** as you make decisions about your landscape and Community.

We are eager to work with you again at Anthem Community Council and help make your landscape truly shine. On the following pages, you'll find more details about how we'd like to partner with you as well as our initial plans for how we'd work at Anthem Community Council.

Sincerely,

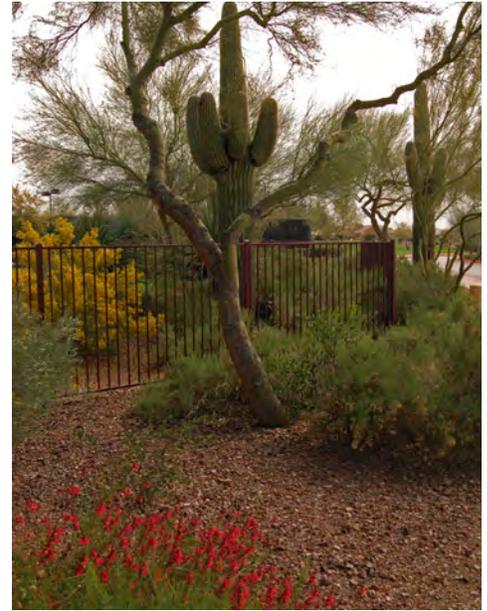


John Holbert, CEO



A PREMIER LANDSCAPE

Anthem Community Council is special; there isn't another community association like it in the Valley. As such, we know that you have high expectations for your common area landscapes — how they look is entwined with your Community's identity as Phoenix's premier destination Community. DLC understands this. We're committed to partnering with you to fully understand those expectations and bring them to life in your common areas. Your goals of careful management, a consistent look and high quality curb appeal will be our goals, too.



Anthem Community Council under DLC management, 2009

A CONSISTENT LOOK

When it comes to top-notch curb appeal, consistency is key. We know you have different expectations for your boutique areas, high visibility areas and the rest of the common areas. But the overall impact of your curb appeal shouldn't waver from area to area. DLC will ensure your entire landscape gets the care it needs to look its best by deploying highly trained landscape experts equipped with the tools and equipment they need to do their jobs each day. Our thorough planning process means that we'll be able to move effectively and efficiently throughout Anthem Community Council — making sure each task gets checked off. The overall look of your landscape might change from month to month and season and season, but you will always see a consistently high level of curb appeal throughout your entire Community.

KEEPING WEEDS AT BAY

Weeds are always an ongoing battle in any desert community. At Anthem Community Council, we will implement a weed control plan to help keep weeds from detracting from your landscape. Our weed control plan will include the extensive use of pre-emergent herbicide to prevent weeds from sprouting in your granite areas. Our dedicated, full-time weed technicians to make sure your entire Community is treated — from your the farthest corners of your Community to your high-profile focal points: your boutique areas, high visibility areas and around your amenities. Any weeds that do pop up will be pulled manually or treated with post-emergent herbicide. You can expect to see weeds controlled in your common areas throughout the year.





Anthem Community Council under DLC management, 2010 (left) and 2009 (right)

EXPERT TURF CARE

Each month DLC manages more nearly 550 acres of turf scattered throughout the Greater Phoenix Valley. We will use that expertise to make sure that the turf at Anthem Country Club gets the proper care it needs to not only look healthy and lush but also be able to host sports and other activities. We will implement a comprehensive turf care program customized to your needs that include weekly maintenance and mowing, a weed control plan to regularly and proactively control and prevent weed, soil aeration for optimal turf health and regular fertilization. We will pay close attention to league game schedules and shedule large processes like overseeding so that they don't affect game play. We will also contract with a local agronomist who will provide expertise and help make sure your turf is as healthy as possible.

AN EYE FOR DETAILS

It really is the little things that can be the difference between a lackluster landscape and an award-worthy Community. A few pieces of litter or a couple unruly shrubs can detract from an otherwise great-looking landscape. DLC's team members are specially trained to be able to efficiently and effectively care for every aspect of your landscape. In addition, we will have four crew members dedicated to being what we call Cart Operators. These people work outside of the cycle and are dedicated to paying extra attention to the little things and polishing the details: policing for trash, promptly removing dead plants or weeds that pop up, trimming tree suckers, checking sightlines and caring for your Community Center and Civic Building. The result will be a more polished overall look and common areas that are always clean and welcoming.



PLANS IN PLACE

Detailed planning is the basis for every task — big or small — that DLC does. And with a large, complex landscape like that at Anthem Community Council, well-thought-out plans are even more crucial. From weed control to yearly pruning to long-term renovation projects, it's already on our calendar. By mapping out our next moves well in advance, we're able to work more proactively than reactively and help make sure that no task gets overlooked.



Anthem Community Council under DLC management, 2009

PROCESS-DRIVEN PLANS

With hundreds of acres of common area and dozens of amenities, Anthem Community Council's landscape is complex. Caring for it will require a lot of moving parts — crews, supervision, equipment and supplies. To help make sure it all goes smoothly and we're able to fulfill your entire scope of work, planning will truly be at the core of how DLC works. Before we even start work at Anthem Community Council, we'll begin formulating plans and routines customized to your Community's needs — including regular tasks like mowing and trimming as well as seasonal projects like shrub rejuvenation, cleaning up fallen bean pods and pre- and post-emergent applications.

A crucial part of this planning process will be outlining the specialized techniques needed to care for your many amenities — for example, making sure the grass is properly rotated in your new dog park. All of these plans will be used to create our annual schedule of services and regular reports to community management.

SEAMLESS EVENT PLANNING

At Anthem Community Council, the landscape isn't just a backdrop; at any given time throughout the year, your common areas can serve as concert venues, parade routes, gathering spaces, memorials and more. As such, the usability of your landscape is paramount. DLC will work in concert with your event director and staff to make sure that Anthem Community Council venues are ready for all events throughout the year. We will incorporate your event calendar into our own work calendars so we can proactively manage pre-event prep work (trimming, detailing, mowing and irrigation management) and post-event clean-up. This way, these tasks will be seamlessly integrated into our work plans and your common areas will always be ready for events.

In addition, we use your event calendar to help plan large-scale landscape work (such as overseeding or shrub rejuvenation) so that these tasks don't affect how you'd like your landscape to look during events. Finally, multiple events each year mean a lot of traffic through your landscape. We'll routinely monitor your common areas for signs of wear and tear like weak Bermuda grass or diminished granite and bring forward solutions to remedy them.





Anthem Community Council under DLC management, 2009

INNOVATIVE SOLUTIONS

This year, Anthem Community Council reached a milestone by turning 20 years old. DLC wants to help you plan for the next 20 years by setting a good foundation for your landscape and implementing processes that will help ensure your common areas continue to be an asset — not a liability. To do that, we will draw on our breadth of experience managing complex landscapes throughout the Valley — many for a decade or more — to help create living plans that look out for Anthem Community Council in the long-term.

For example, your scope of work includes buffer clearing along your walls. We are currently working with another Valley Community to develop and execute plans that will get them Firewise Certified through the Arizona Department of Forestry and Fire Management. This certification helps set in place plans and processes for long-term buffer management, and may be a more substantial and concrete approach for Anthem Community Council. Throughout our relationship with you, we will strive to bring you innovative and forward thinking plans like this that will benefit your Community for years to come.

QUALITY CONTROL

Having plans and processes in place is only beneficial if we're sure they're being followed. We've built extensive quality control measures into our work plans and processes to ensure that you get the results you expect. Work areas will be inspected daily by our Cart Operators and Foremen. Any issues will be addressed with the crew immediately and plans will be made to rectify them and keep the crew on task. Your Field Manager will inspect the entire Community each week and your Branch Manager will do inspections at least monthly; during each inspection, they will create punch lists of any issues and set plans in motion to remedy them. Finally, Anthem Community Council will get routine site visits from DLC's senior leadership team and Director of Operations to monitor your landscape, understand challenges and allocate resources to fixing issues.



YOUR COMMUNITY PARTNER

Every landscape company can tell you what they'll do to your plants and turf. For DLC, that's only half the story. What really brings our processes to life is the relationship we have with Anthem Community Council Board and Management. We'll be your Community Partner — doing what we say we're going to do, following through on our promises, fulfilling your expectations and keeping you informed at every step of the process.



Anthem Community Council under DLC management, 2008

OPEN COMMUNICATION

At DLC, our work is based on building lasting relationships and partnerships. We understand that no relationship can thrive without effective communication. From our daily in-person check-ins and weekly reports to our more formal Board presentations to monthly Community drives, DLC knows that being available to you is the basis for a strong partnership. Our team will be there to listen to you, offer thoughtful, sustainable solutions and work with you to solve problems, plan for the future and have open, ongoing conversations about the landscape at Anthem Community Council.

EXPERIENCED, DEDICATED EMPLOYEES

The Landscape Management Experts is not a title we take lightly; we truly live it. All of our employees are specially trained for each of the tasks they perform — whether it's mowing, pruning, planting, driving the cart or supervising, planning and managing. In addition, our field employees hold more than 100 industry certifications. In short, they're truly experts at their jobs; you'll get employees who are well-trained in both proper horticultural practices and DLC protocols. In addition, because we dedicate employees and teams to each of our Communities, the same people will be at Anthem Community Council and at Paseo each day. They'll be able to get to know the ins and outs of your Community and build their knowledge over time, allowing them to efficiently and effectively care for your landscape.

AN EMPLOYEE OWNED COMPANY

We have great employees, and we want to keep them. DLC is a 100% ESOP Owned Company. That means that all DLC employees — after they meet certain administrative requirements — own a part of the company. As employee owners, our crews take additional pride in caring for your community; you will have dedicated employees who actually care working at Anthem Community Council. It also is an incentive for employees to stay with DLC; the longer they work with us, the more the value of their ESOP account grows. This helps ensure that the employees who go to work at Anthem Community Council each day stay with DLC and your Community long-term, resulting in experienced employees who truly understand your unique landscape.



A PROVEN TRACK RECORD

With DLC Resources, you're not taking a gamble. We managed the landscape at Anthem Community Council from 2005 to 2010. You already know that our company has the capacity, resources and expertise to be able to provide Anthem Community Council with a high-quality landscape. While we know that things have changed in the past decade since we've worked with you, we're still ready to hit the ground running to give your Community stunning curb appeal.



Anthem Community Council under DLC management, 2006, 2007 and 2008

STATE-OF-THE-ART TECHNOLOGY

Technology is one of the most powerful tools DLC uses. It allows us to be more productive, streamlines our processes and helps us communicate with Community Management and keep you informed about our work. We're ready to put our proprietary software and customized programs to work at Anthem Community Council.



ALL IN ONE PLACE

Making sure Community Management understands our processes and can easily check in on our work is key. To help facilitate that process, we will create a customized web portal specifically for your Community. This secure website will only be accessible to Community Management and will provide a convenient way for you to stay up-to-date on our work. It will also house all of our documents, including plans, proposals, reports, invoices, budgets, schedules, maps, weekly updates and more. That means that all the documents you need are easily available to your entire team whenever you need them. This also means older documents will be easily accessible, providing you an in-depth historical reference of our work at Anthem Community Council.

JOB TRACKER

A crucial component of the online portal is the Job Tracker, our online work order system. This tool will allow Anthem Community Council Community Management to submit work orders quickly and easily — including a description and photos of the work needed. DLC's team is then notified on their iPads or iPhones and can respond quickly and efficiently. Once the order is submitted, Community Management can log in at any time to check the order's status and receive notifications when work is completed. And, because each work order is tracked and recorded, there is a record of work done.

GIS MAPPING

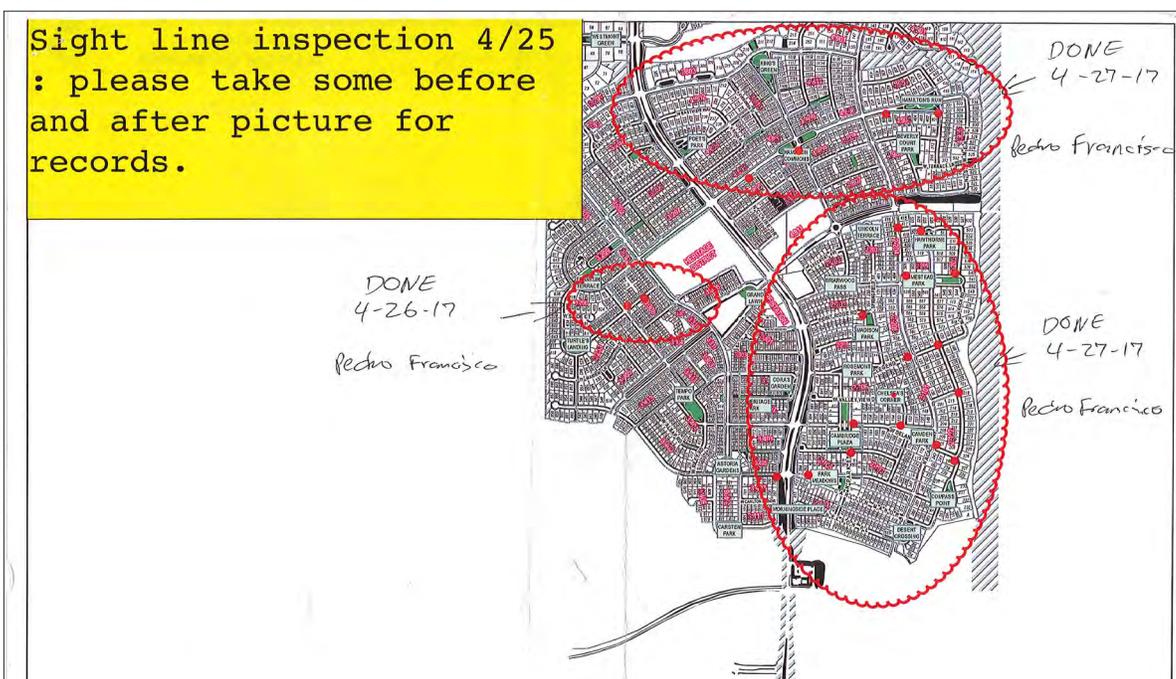
DLC operates under the understanding that you can't manage what you don't track. In Anthem Community Council's large and complex landscape, we know there are many landscape components to manage. We will use our proprietary Asset Mapper software to track and record the exact locations of landscape components like trees, irrigation valves and meters, turf areas, trash cans, culverts and more. This technology will allow us to fully understand what's in your landscape. This accurate data will be crucial to creating well-informed work plans, allocating adequate resources, understanding what needs to be done (and when and where) and spotting ongoing problems and issues.



Quality Control

Having plans and processes in place is only beneficial if we're sure they're being followed. We've built extensive quality control measures into our work plans to ensure that you get the results you expect. This is the minimum frequency that quality control inspections will take place at Anthem Community Council and Anthem Parkside.

- **Daily** inspections of work areas by Field Crew Leads and Foremen
- **Weekly** inspections of entire Community by Field Manager to review completed work and help plan upcoming work
- **Monthly** inspections by Branch Manager to monitor your landscape, understand challenges and allocate resources to fixing issues.
- **Quarterly** site visits by Chief Operations Officer
- **Twice yearly** inspections by Tree Division Director (before and after monsoon season) to survey trees and advise on pruning proposals
- **Quarterly** inspections by Spray Operations Manager to understand and identify weed issues and advise on pre-emergent and post-emergent processes
- **Twice yearly** inspections by Construction Division Manager to survey infrastructure (culverts, spillways, hardscape) and landscape in general for improvement solutions or needed maintenance
- **Quarterly** inspections by Director of Water Management to inspect irrigation system and help identify and troubleshoot any issues
- **Twice yearly** cross checks by East Valley Branch Manager and North Valley Branch Manager to get fresh eyes on the landscape
- **Twice yearly** inspections by CEO
- **Annual self-evaluation** document that helps us review our own work and find areas for improvement; also allows Board and Community Management to rate our work and facilitates open conversations



An example of a completed sightline punchlist for one of our current Communities.



ADDITIONAL REQUIRED DOCUMENTS (BIDDER'S CHECKLIST)

In this section:

- Exhibit A
- Exhibit B
- Bidder's signed W9
- Bidder's insurance verifications and Certificates of Insurance
- Bidder's Statement of Relevant Safety History
- Bidder's example of a weekly Status Report, Annual Work Schedule and other scheduling and planning tools
- Bidder's proposed daily minimum deployment of labor to provide base monthly services
- Bidder's list of references with contact information
- Bidder's list of key personnel and biographies
- Bidder's list of licenses and certifications
- Bidder's list of subcontractors to be used (if applicable) with their licenses and certifications
- Bidder's list of all equipment to be used on this account and equipment to be stationed at the ACC Maintenance Yard
- Bidder's signed Transmittal Letter summarizing their proposal and highlighting appropriate specifics



EXHIBIT A

CONTRACTOR'S PROPOSED FEES AND PRICING

PLEASE LIST ALL PRICING FOR SERVICES (add rows if needed)	2020-2021 Pricing if Combined Agreement with Parkside	2020-2021 Pricing if Standalone Agreement Only for ACC	Notes
<p>ACC Base Monthly Services Fee</p> <p>Includes service areas listed on pages 1-2, and service requirements as specified in Section 05.</p> <p>Only Section 5.13 is excluded from this base monthly fee, as it is covered below.</p>	\$96,000.00/mo.	\$96,000.00/mo.	<p>Monthly fee includes maintenance of the new dog park that will be completed in fall 2019.</p>
<p>Paseo Base Monthly Services Fee</p> <p>Includes all services listed in Section 5.13, including applicable service requirements in Section 05.</p>	\$3,000.00/mo	\$3,000.00/mo	

PLEASE LIST ALL PRICING FOR ADDITIONAL SERVICES NOT INCLUDED IN BASE MONTHLY SERVICES FEE (add rows if needed)	2020-2021 Pricing if Combined Agreement with Parkside	2020-2021 Pricing if Standalone Agreement Only for ACC	NOTES
<p>Brush clearance along rear and perimeter block wall or view fences at 5-feet wide and 15-feet high, including haul-away.</p>			<p>First 30,000 linear feet (5' wide clearance) included in contract; next 40,000 linear feet (5' wide clearance) will be charged at \$0.30 per linear foot; current map will be maintained of current and completed areas.</p>
<p>Tree pruning above 10-feet (per tree)</p>	Average - \$57.00/tree		

PLEASE LIST ALL UNIT PRICING FOR PLANTS AND TREES (add rows if needed) Plants & trees w/ installation	2020-2021 Pricing if Combined Agreement with Parkside	2020-2021 Pricing if Standalone Agreement Only for ACC	NOTES The following prices include supply and install of wholesale quality product of commonly available species; prices may vary for specialty species or if retail quality plants are desired. Prices are based on the assumption of a large planting project; costs for single planting needs may vary, especially for trees.
1-gallon standard plant	\$9.00	\$9.00	
5-gallon standard plant	\$25.00	\$25.00	
15-gallon standard plant	\$85.00	\$85.00	
4-inch premium color annuals (16-count flat)	\$56.00	\$56.00	Includes bed preparation
4-inch standard color annuals (16-count flat)	\$38.00	\$38.00	Includes bed preparation
1-gallon color annuals	\$9.00	\$9.00	
15-gallon staked tree	\$110.00	\$110.00	Includes double staking and one-year guarantee
24-inch staked tree	\$240.00	\$240.00	Includes double staking and one-year guarantee
36-inch staked tree	\$630.00	\$630.00	Includes double staking and one-year guarantee

PLEASE LIST ALL PRICING FOR EQUIPMENT (add rows if needed) Miscellaneous materials and supplies	2020-2021 Pricing if Combined Agreement with Parkside	2020-2021 Pricing if Standalone Agreement Only for ACC	NOTES Prices provided are for materials only; labor is not included.
Irrigation – Controllor Units	\$2,716.00 (Hydropoint Weather Track ET Pro 3 24 station wall mount)		
Irrigation – Valves	\$68.00 (1" Hunter Standard ICV101G - regular water) \$88.00 (Hunter Rec - CV101GFS - reclaimed)		
Irrigation – Sprinkler Heads	\$14.00 (Hunter I-20 adjustable shrub rotor) \$18.00 (Hunter I-20 adjustable shrub rotor - reclaimed)		
Irrigation – Irrigation Pipe	\$0.23 per foot (1" class 200 pipe)		
Other – Describe			

PLEASE LIST ALL PRICING FOR TURF/GRANITE MATERIALS (add rows if needed) Other materials, supplies, and services	2020-2021 Pricing if Combined Agreement with Parkside	2020-2021 Pricing if Standalone Agreement Only for ACC	NOTES
Grass Seed (Perennial Rye)	\$525.00/acre - for seed; labor and equipment are included in the contract		The ACC's preference is to pay Contractor's cost without mark-up.
Grass Seed (Hybrid Bermuda)	Price is based on scope of work, number of square feet		The ACC's preference is to pay Contractor's cost without mark-up.
Sod (including prep and installation)	Price is based on scope of work, number of square feet		The ACC's preference is to pay Contractor's cost without mark-up or additional labor charges for prep and installation.
Overseeding – Labor prep & installation Detail all related charges for preparation and installation of overseeded areas, except cost of seed [noted above].	See price above		The ACC's preference is to not be charged extra for overseeding labor for prep and installation.
Turf Paint (non-toxic)	\$110.00/acre (includes labor and materials)		
Granite with Application Labor (per ton)	\$55-\$62/ton	\$55-\$62/ton	The ACC primarily uses 1-inch screened Saddleback Brown or equivalent.

PLEASE LIST ALL PRICING FOR LABOR (add rows as needed) Other labor that is not included in base services.	2020-2021 Pricing if Combined Agreement with Parkside	2020-2021 Pricing if Standalone Agreement Only for ACC	NOTES
Miscellaneous Labor (per hour)	included in scope of work		
Irrigation Technician (per hour)	\$45.00/hour (for work outside scope of work)		
Miscellaneous Skilled Labor (per hour)	dependent on scope of work		
Tractor or Bobcat Work (per hour; includes equipment)	dependent on scope of work		
Backhoe Operator (per hour; includes equipment)	dependent on scope of work		
Emergency After Hours (per hour)	\$45.00/hour (for initial response)		
Other – Describe			

EXHIBIT A SIGNATURES

We certify by our signature below that this Exhibit A represents our proposed pricing schedule:

DLC Resources, Inc.
Contractor

Sept. 3, 2019
Date Signed

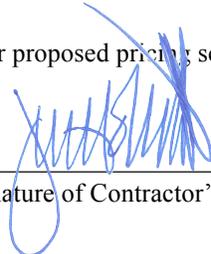

Signature of Contractor's Authorized Representative
John Holbert, CEO
Print Name of Authorized Representative

EXHIBIT B

CONTRACTOR'S INCENTIVE OFFERINGS

Please include any and all voluntary incentives that Contractor might offer to the Anthem Community Council, including service credits, rebates, discounts, event sponsorships, in-kind services or other value-added voluntary offerings.

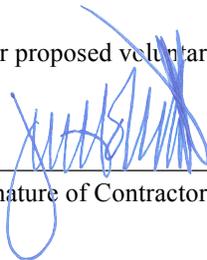
- \$50,000 each year for in-kind services; contribution projects to be determined jointly between DLC and ACC. This includes the cost of labor, equipment, materials and sub-contractors (if needed) for the selected projects. Projects may be completed in year 1 or year 2 of the contract.
- \$20,000 each year for sponsorship/event contributions

EXHIBIT B SIGNATURES

We certify by our signature below that this Exhibit B represents our proposed voluntary incentives:

DLC Resources, Inc.
Contractor

Sept. 3, 2019
Date Signed


Signature of Contractor's Authorized Representative
John Holbert, CEO
Print Name of Authorized Representative

RELEVANT SAFETY HISTORY

DLC's Demonstrated Safety Experience

SPEAK UP, LISTEN UP

Safety is at the core of all of DLC's policies and processes. In an effort to further promote our safety culture, DLC implemented a safety initiative in 2014 called **Speak Up, Listen Up**. This program is used by construction industry leaders and **promotes a safety culture where every employee is empowered to hold teammates and co-workers responsible for working safely**. Employees are trained to watch out for their team members, supervisors, managers, etc., and tell them when they're not working safely; all employees are also trained to listen and follow directions when someone is telling them about their unsafe behavior. Since its implementation, we've seen a decrease in our already low number of safety-related incidents. In fact, our EMOD score has dropped well below 1, which indicates our safety record is better than the industry average. We have also seen better reporting of incidents that do happen, which allows us to get good data in order to analyze our processes and improve safety measures.

DLC's EMOD (experience modification rating):

2014	.99
2015	1.09
2016	.93
2017	.71
2018	.85



SCHEDULING, PLANNING & REPORTING

Planning is truly at the core of how DLC does business. Please see the "Plans in Place" section of this book for more details on our processes. Here, we are providing examples of our plans, schedules and checklists to give you a better understanding of our work. However, because we customize all plans to each community's specific needs, the documents we create for Anthem Community Council will look different than those provided here.

Landscape Maintenance Schedule Example														
	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL	Comments
COMMUNITY CENTER														
Parks	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	260	
Turf	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	260	
Playgrounds	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	260	
Pools	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	260	
Basketball/Volleyball Courts	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	260	
TURF MAINTENANCE														
Mow	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	52	
Trim	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	52	
Edge	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	52	
Fertilization	1		1		1		1		1		1		6	
Turf Verticut/Prep										1			1	
Seeding										1			1	
Pre-Emergent Weed Control			1						1				2	
Disease/Pest Control	AS NEEDED													
Core Aeration					1								1	
SHRUB & BED MAINTENANCE														
Prune Plants as Needed	1	1	1	1	1	1	1	1	1	1	1	1	12	
Pre-Emergent Weed Control					1						1		2	
Post Emergent Weed Control	2	2	2	2	2	2	2	2	2	2	2	2	24	
Fertilization	AS NEEDED													
Disease/Pest Control	AS NEEDED													
TREE MAINTENANCE														
Trimming	AS NEEDED TO KEEP WALKWAYS/RECREATION AREAS CLEAR													
Disease Control/Curative	AS NEEDED													
IRRIGATION SERVICES														
Irrigation Visual Inspection	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	52	
Alter/Monitor Irrigation Schedule	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	52	
MISCELLANEOUS SERVICES														
Tree Stake Management	AS NEEDED													
Weekly Operation Report	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	52	
Soil Analysis	ONCE ANNUALLY												1	
Weeding of Sidewalks/Asphalt	2	2											24	
Blow Pathways	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	52	
Clean up Dog Waste	Biweekly	Biweekly	Biweekly	Biweekly	Biweekly	Biweekly	Biweekly	Biweekly	Biweekly	Biweekly	Biweekly	Biweekly	104	
Erosion cleanup	AS NEEDED													

TURF MAINTENANCE SCHEDULE														
BERMUDAGRASS (Non-Overseeded)														
	January	February	March	April	May	June	July	August	September	October	November	December		
Mow	As Needed			Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	As Needed	Weekly	Weekly
Edge	As Needed			Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	As Needed	Weekly	Weekly
Trim	As Needed			Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	As Needed	Weekly	Weekly
Ammonium Sulfate (21-0-0)					Pre-Aerate	Spot		Full Rate	If No OS					
11-52-0													Full Rate	
Turf Royale (21-7-14)						Full Rate								
Soil Test					Pre-Aerate									
Aeration					All Areas									
Cal-Sul*					All Areas									
Gypsum*					All Areas									
Kill Rings					As Needed		As Needed			As Needed				
Crab Grass w/PRE (25-3-5)	Last Week													
Weeds (Post)	As Needed											As Needed		
BERMUDAGRASS (Overseeded)														
Mow	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	As Needed	Weekly	Weekly	Weekly
Edge	As Needed			Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	As Needed	Weekly	Weekly	Weekly
Trim	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	As Needed	Weekly	Weekly	Weekly
Ammonium Nitrate (34-0-0)** apply at 3 lb/1000 sq ft	Full Rate	Full Rate	1/2 Rate**											Full Rate
Calcium Nitrate (15.5-0-0)** apply at 7 lb/1000 sq ft	Full Rate	Full Rate												Full Rate
Ammonium Sulfate (21-0-0)														
Best / Simplot apply at 5 lb/ 1000 sq ft			1/2 Rate**	Full Rate	Pre-Aerate	Spot		Full Rate						
Liquid Iron	1st Week	Last Week												Mid Month
Turf Royale (21-7-14)														
Viking ship brand apply at 5 lb/ 1000 sq ft						Full Rate							After 1st Mow	
Starter Fert. (11-52-0)													After Prep and Seeding	
Viking ship brand apply at 2 lb/ 1000 sq ft														
Kill Rings					End Month			As Needed		As Needed				
Lower Deck Height			Weekly							Weekly (As needed)				
Crab grass control w/PRE (25-3-5) LESCO Brand apply at 4.5lb/1000 sq ft	Last Week													
Apply Turfion Ester at 16 oz/ Acre										One Week B4 Prep.				
Prep and Overseed										As Needed				
Soil Test					Pre-Aerate									
Aeration					All Areas									
Cal-Sul* apply at 5 lb/ 1000 sq ft					All Areas									
Gypsum* apply at 10 lb / 1000 sq ft					All Areas									

**Depending on soil test results
 **Depending on nighttime temps

Temps > 40
 Temps < 40
 Temps > 60



Example takeover plans and checklists

Project Name: Kick off Bridges # 426

Project Timeline: 8/14/17 – Feb 2018

Project Owner: Janet Dempsey

Key Resources: Matt Jacobson, Pablo Pescador, Mark Dalley, Albert Ruiz, Melanie Norman, Erik Mauer, Mike Walker, Saul Quinones

Goal: To ensure this new job gets off to a smooth start, with good communication to the client, and clear expectations set with the crew.

Key Milestones:

What	Who	By When
Determine necessary info to get from outgoing landscape vendor. Request this of Rob.	Janet, Mark D	8/31/17 Complete
Review estimated equipment, ensure all is available for start of service. Get start time.	Janet, Saul, with input from Pablo	8/25/17 Complete
Determine maintenance kick off plan, including Cesar priorities	Janet, Pablo	8/25/17 Complete
Get tree budget information	Janet	8/25/17 requested
Get overseed info – planned acres	Janet	8/25/17 requested
Determine staffing. Ely (Foreman), Alejo (Crew Lead w/DL), Nathaniel (Cart), Antonio CM, Charles CM	Janet, Pablo	8/30/17 Complete
Make onsite visit, identify potential issues to be addressed	Melanie	9/1/17 Complete
Create maps: cycle, cart route, common area	Pablo, Ben	9/1/17 In progress
Get with Nick Patty to set aside flowers. Get client approval before locking in. Set tentative date.	Pablo, Janet	9/1/17
Meet with Ely. Discuss initial priorities/plan for the first complete cycle.	Janet, Pablo, Ely	9/1/17 Complete



What	Who	By When
Meet with Cesar. Discuss 6-week plan	Janet, Pablo, Cesar	9/1/17 Complete
Create and submit plan for seasonal renovation to Rob to share with the Board	Janet, Pablo	9/1/17 Starting
Drive the community, complete punchlists	Janet & Pablo, with Ely is applicable	Weekly - Scheduled
Post-emergent – Eleazar or Brett. (Joey for the first week)	Pablo	Starting 9/1/17
Get marketing “before” pictures	Kate	9/1/17 Complete
Successfully connect the Toro Sentinel to the onsite controllers and figure out how to program.	Bryan	Week of 9/5/17
Still Pending – getting handheld remote from Landscape vendor (email to rob sent on Friday 9/1/17). Bryan to price a Toro Remote	Pablo and Bryan	9/7/17
Set up a class with Pat Johnson on the Toro Sentinel for the end of the week of 9/5 or 9/11. Alex, Bryan, Pablo and Mark to attend	Bryan	9/7/17
Meet with pump vendor, Todd with Well Done Pumps (filtration of particulates, pump locations)	Mark	9/8/17 In progress
Meet with acid injector vendor / fertigation, Joe with Werecon	Mark & Pablo	9/8/17 Scheduled
Joe with Werecon to get a north proposal		
Submit a water quality test to Aquatic Consulting	Bryan	9/8/17
Complete irrigation component mapping. Program turf clocks for mow day.	Alex	9/8/17
Clarify whether or not Sissoo removal	John H & Erik	9/15/17



What	Who	By When
Perform system check on turf, determine necessary work/repairs to bring the system to minimum standard (broken heads, broken valves, lateral lines, etc).	Alex system check	9/20/17
Attend Board meeting. Confirm overseed acres. Give start of service update.	Matt (or Ray or John) & Pablo	9/20/17 6:30pm
Create irrigation repair proposal and send to client. Create balancing proposal to bring system to acceptable efficiency and send to client.	Bryan	9/25/17
Create customized weekly run times	Mark	9/25/17
Spray Turflon for overseed	Brett (Melanie creating schedule)	Scheduled: 9/26/17
Determine training needs and timeline.	Janet, Pablo w/Albert	9/29/17
Overseed / pre around turf headers.	Melanie	9/29/17
Complete sightline inspection, share with Rob, file in job file	Pablo, with Janet reviewing	9/29/17
Map turf zones and isolation valves	Alex	10/2/17
Program clocks for current season and conditions prior to overseed	Pablo w/Alex	10/10/17
Overseed	Pablo w/Moses	10/11-10/12
Schedule meeting with Landscape Committee, attend Board meeting	Pablo & Matt	10/13/17
Agree on 2018 client budget	Pablo & Matt	10/13/17
Pull soil samples, send in for analysis	Pablo	10/13/17
Propose replacement trees for the Oct board meeting. Get list to Erik for inventory.	Pablo, Janet	October 2017



What	Who	By When
Establish kill rings (Brett or Eleazar)	Pablo	November 2017
Perform system check on drip, determine necessary work/repairs to bring the system to minimum standard	Crew member onsite TBD	Nov 2017 – Feb 2018
Assess tree pruning & removal recommendations. Create proposal for 2018 & 3-year budget.	Mike W & Edgar w/Erik	11/30/17
Schedule pre-emergent.	Melanie	Scheduled: 12/19-12/21
Complete turf irrigation balancing (training class)	Alex	January 2018
Complete tree inventory	Mike W	February 2018
Identify and train designated crew member on Farming	Matt & Pablo, Mark	February 2018

SAMPLE



Preliminary Takeover Plan - DRAFT

Anthem Community Council and Anthem Parkside

Common area landscape management

Switching landscape management vendors is never an easy decision — that’s compounded when it comes to a common area as large, complex and prestigious as Anthem Community Council’s and Anthem Parkside’s. We know that so much of your identity is wrapped up in your curb appeal and how your common areas look. That can’t waver while we find our footing on your property.

We have a long history and proven track record of taking over complex landscapes, and we have developed a process to create a smooth transition so things don’t fall through the cracks (though we know there will always be a few hiccups along the way!) We have the resources and team members readily available to successfully transition your landscape.

30 -60 days prior to start

All transition activities are coordinated through and lead by your Anthem team: Branch Manager Mike Rasmussen and Field Manager Bill Redford

Mapping Department	Mike and Bill work with internal GIS department and Council and Parkside staff to update and dial in common area maintenance area maps, locate and map key Community assets: boutique service areas, scenic corridors, sport courts, trashcans, dog stations, etc. Also, map out Paseo service areas and create route for how crews move throughout Paseo.
Human Resources Department	<ul style="list-style-type: none"> • Assist Mike and Bill in identifying existing, experienced DLC team members for key roles at the Anthem • Recruit, hire and train replacements for selected Anthem team members
Spray Department	Department Manager Melanie Norman <ul style="list-style-type: none"> • reviews common areas to create custom pre and post emergent weed control plans for granite and turf areas. • Coordinates soil samples and analysis to create custom turf grass management (both Leisure and Sport turf) and fertilizer program
Irrigation Department	Department Manager Mark Dalley leads irrigation team: <ul style="list-style-type: none"> • Analyze available historical water usage data with Anthem Staff and Brightview team • Create schedule to analyze turf irrigation system functionality, future programming • Create priority mapping schedule for primary

	irrigation system components <ul style="list-style-type: none"> • Schedule download of Weather Trak and standard controller functionality and status with Brightview and manufacturer if necessary.
Shop Department	Department Manager Saul Quinones coordinates <ul style="list-style-type: none"> • site visit with industry partners to create custom turf management equipment package • evaluation and utilization of onsite yard
Arbor Department	Branch Manager Erik Mauel coordinates initial review of Anthem tree inventory.
Special Projects Department	Branch Manager Matt Jacobson supports Mike and Bill in planning for hardscape, erosion, storm water management needs, supplying support crews for maintenance operations

30 days and fewer prior to start

Mike and Bill	<ul style="list-style-type: none"> • Create routing maps for trim crew • Finalize mow and turf care plan • Tour site and integrate key field team leaders with service areas and expectations • Orient cart operators to boutique service areas • Structure daily crew plan to meet the priority service areas needs • Create plan to review site lines • Evaluate site traffic and resident activity for routing and staging areas • Select and train Paseo team on specific community service plan
Marketing Department	Department Manager Sarah Gorvin meets with Anthem staff to understand communications needs and timelines, event support.
Spray Department	Melanie works to Mike and Bill to <ul style="list-style-type: none"> • Finalize granite pre emergent schedule, plan and team • Create custom fertilizer program based on soil test results • Plan for specific herbicide needs and evaluation timeline
Shop Department	Saul supports Mike and Bill with coordination of daily and weekly equipment planning, specialized and seasonal equipment



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Tree Department	Erik schedules Certified Arborist Mike Walker for Anthem tree inventory and analysis for custom tree care plan delivery within first 90 days
Irrigation Department	Mark and his team continues to <ul style="list-style-type: none">• evaluate the irrigation system• focus on controller functionality and programming schedule• dial in turf irrigation scheduling and needs for events and activities

Examples of reporting and communication pieces

Open communication is key to all good relationships, and DLC integrates effective and meaningful communication with our clients into all of our processes. We provide our clients with a variety of written and verbal reports, including:

- Weekly Work Schedule Report
- Monthly Water Meter Report (in gallons and dollars)
- Landscape Committee Meeting Reports and Presentations
- Punch Lists
- Infrastructure (culverts, spillways, curbing) reports as needed
- Monthly Resident Updates
- Sightline Reports

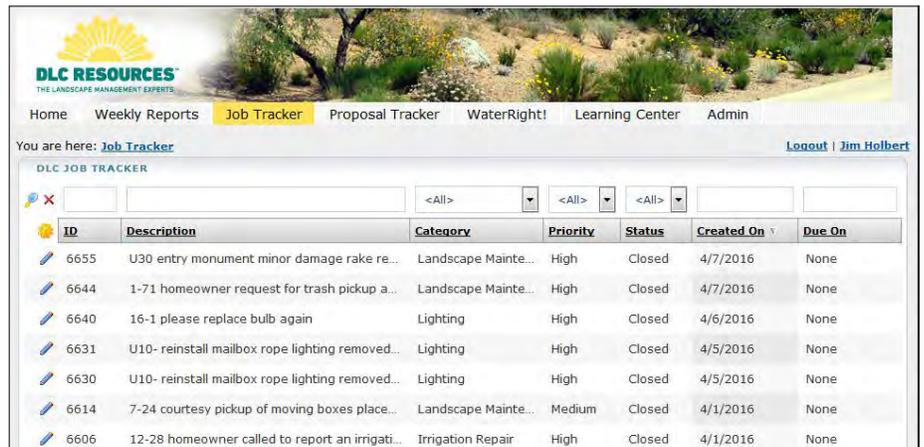
In addition, we build all of our clients a custom, secure online portal to help make sure they have the information they need when they need it:

ONLINE PORTAL

This secure website will only be accessible to Community Management and Board and will provide a convenient way for you to stay up-to-date on our work. It will also house all of our documents, including plans, proposals, reports, invoices, budgets, schedules, maps, weekly updates and more. That means that all the documents you need are easily available to your entire team whenever you need them. This also means older documents will be easily accessible, providing you an in-depth historical reference of our work.

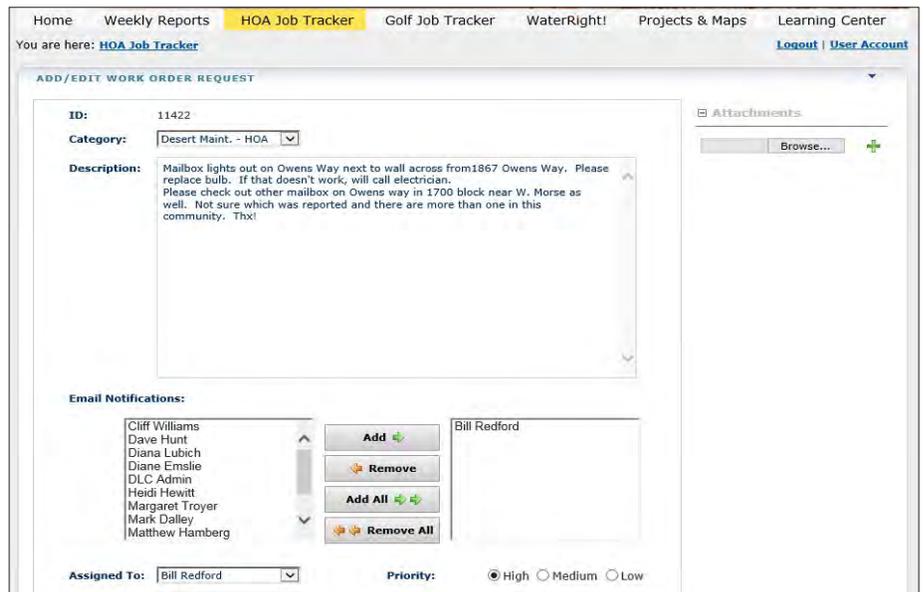
JOB TRACKER

A crucial component of the online portal is the Job Tracker, our online work order system. This tool will allow Community Management to submit work orders quickly and easily — including a description and photos of the work needed. DLC's team is then notified on their iPads or iPhones and can respond quickly and efficiently. Once the order is submitted, Community Management can log in at any time to check the order's status and receive notifications when work is completed. And, because each work order is tracked and recorded, there is a record of work done.



The screenshot shows the 'Job Tracker' section of the DLC online portal. At the top, there's a navigation bar with 'Home', 'Weekly Reports', 'Job Tracker' (highlighted), 'Proposal Tracker', 'WaterRight!', 'Learning Center', and 'Admin'. Below the navigation bar, there's a search bar and a table of work orders. The table has columns for ID, Description, Category, Priority, Status, Created On, and Due On. The data rows are as follows:

ID	Description	Category	Priority	Status	Created On	Due On
6655	U30 entry monument minor damage rake re...	Landscape Mainte...	High	Closed	4/7/2016	None
6644	1-71 homeowner request for trash pickup a...	Landscape Mainte...	High	Closed	4/7/2016	None
6640	16-1 please replace bulb again	Lighting	High	Closed	4/6/2016	None
6631	U10- reinstall mailbox rope lighting removed...	Lighting	High	Closed	4/5/2016	None
6630	U10- reinstall mailbox rope lighting removed...	Lighting	High	Closed	4/5/2016	None
6614	7-24 courtesy pickup of moving boxes place...	Landscape Mainte...	Medium	Closed	4/1/2016	None
6606	12-28 homeowner called to report an irrigati...	Irrigation Repair	High	Closed	4/1/2016	None



The screenshot shows the 'HOA Job Tracker' form in the DLC online portal. The form is titled 'ADD/EDIT WORK ORDER REQUEST'. It includes fields for 'ID' (11422), 'Category' (Desert Maint. - HOA), and 'Description'. The description text is: 'Mailbox lights out on Owens Way next to wall across from 1867 Owens Way. Please replace bulb. If that doesn't work, will call electrician. Please check out other mailbox on Owens way in 1700 block near W. Morse as well. Not sure which was reported and there are more than one in this community. Thx!'. There are also 'Email Notifications' and 'Attachments' sections. The 'Email Notifications' section lists several names and has buttons for 'Add', 'Remove', 'Add All', and 'Remove All'. The 'Assigned To' field is set to 'Bill Redford' and the 'Priority' is set to 'High'.

DLC's online portal



Hi Bruce,

DLC WEEKLY REPORT

Property Name: 341 Desert Mountain

Highlights from Last Week:

Date: 12/24/2018

Crews continued cycle work on villages roads focusing on tree trimming and shrub renovation. Tree crews performed mistletoe and witches broom removal on trees along DMP.

Irrigation:

Other

All irrigation back-flows turned off due to risk of freezing.

Sight Lines:

Storm Damage:

Special Projects:

U9 planting and boulder installation completed.

Work Scheduled This Week:

Date: 12/31/2018

Turf Maintenance:

Monday, Wednesday, Thursday, Friday

Monday: Monitor all turf areas for proper watering.

Tuesday- Holiday

Wednesday : Mow all turf areas.

Thursday-Friday: Monitor all turf areas for proper watering.

Pruning:

Monday, Wednesday, Thursday, Friday

Monday: U44, U16 and DMP.

Tuesday: Holiday.

Wednesday: U44,U23 (Cycle 1) and U18.

Thursday: U44, U26, U12 (Cycle 1) and U8.

Friday: U44, U15 and 24.

Weed Control:

Monday, Wednesday, Thursday, Friday

Pre-emergent application in progress.

Special Projects:



U9 planting completed.

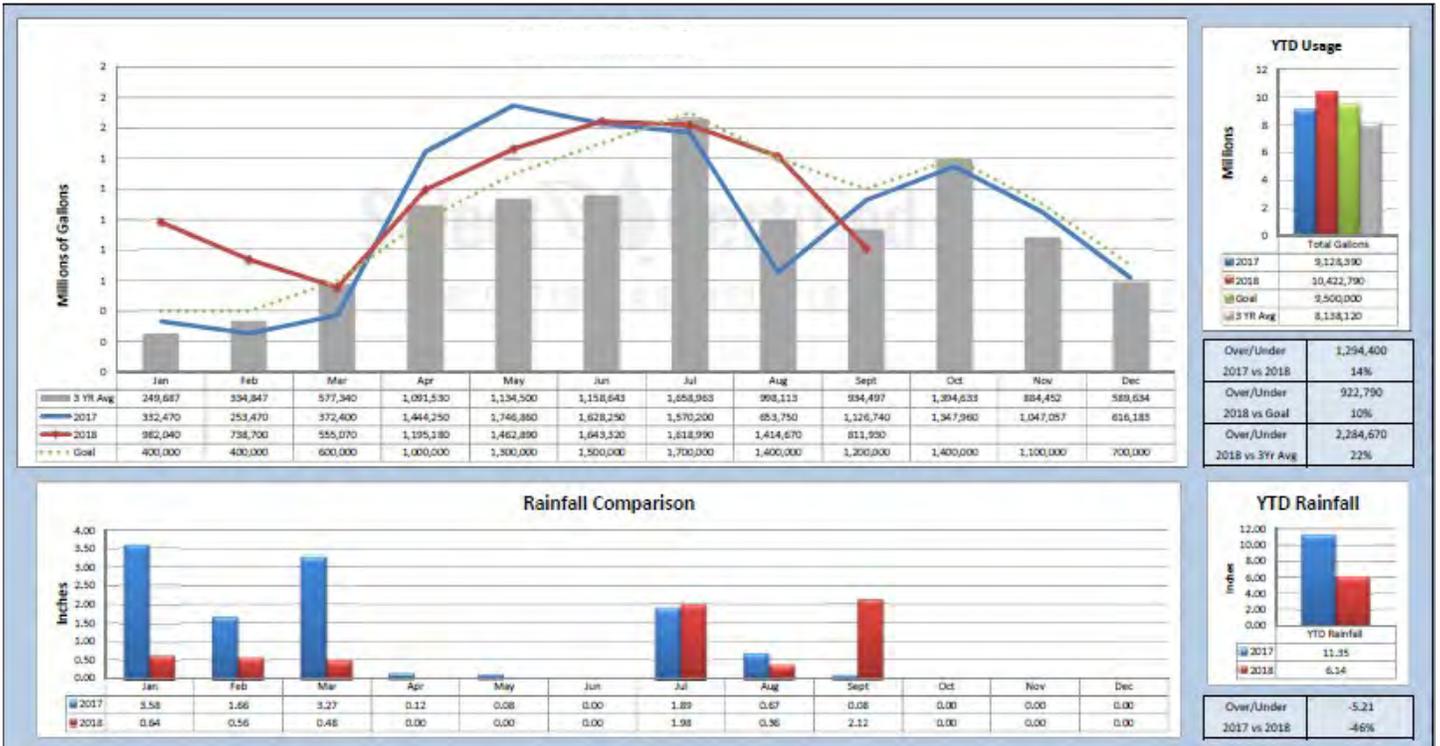
If you have any questions, please contact me directly.

Sincerely,
Tony Amezcua



An example of a weekly report.

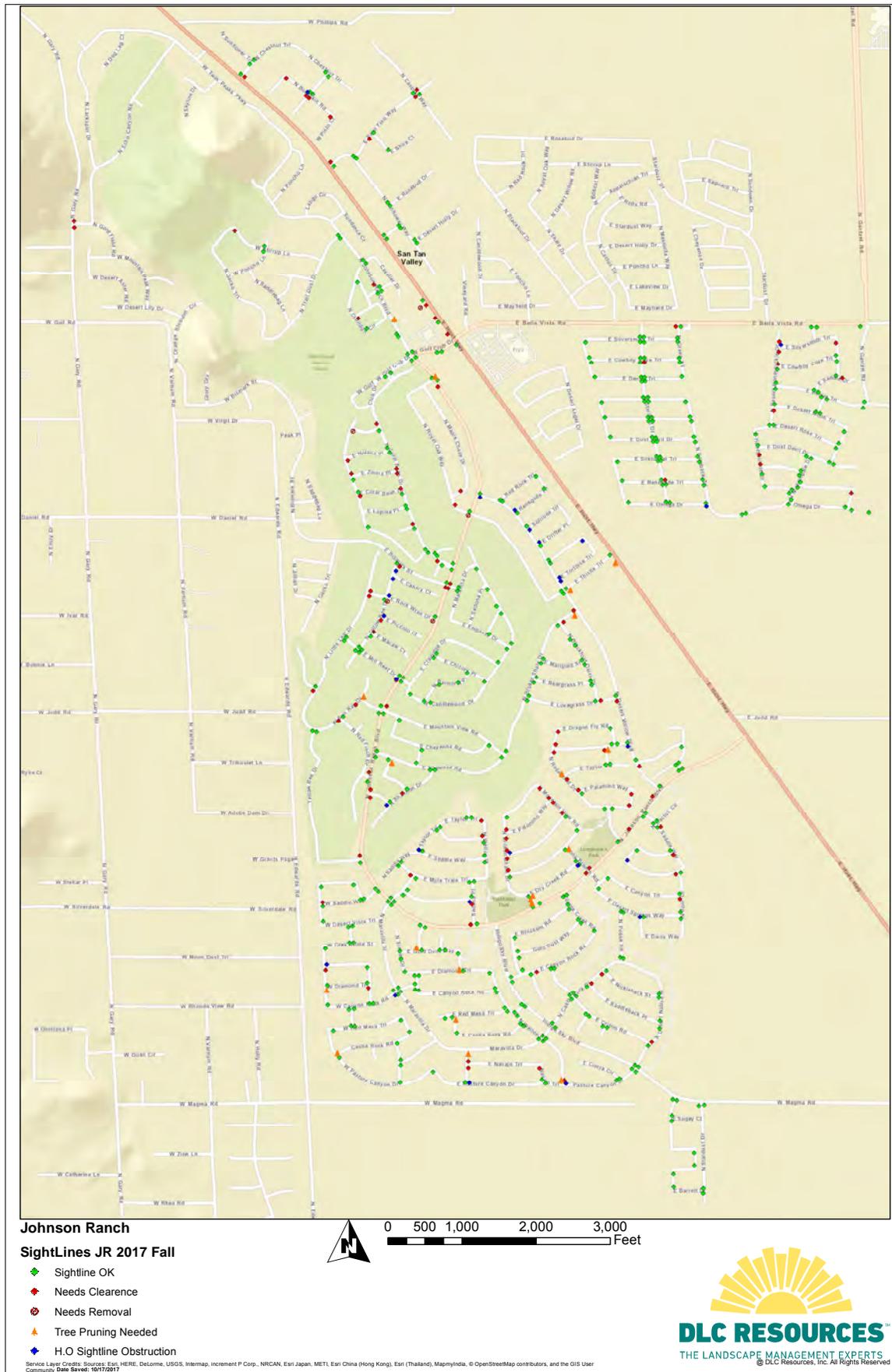




A summary water report. We provide these reports in both gallons and dollars.



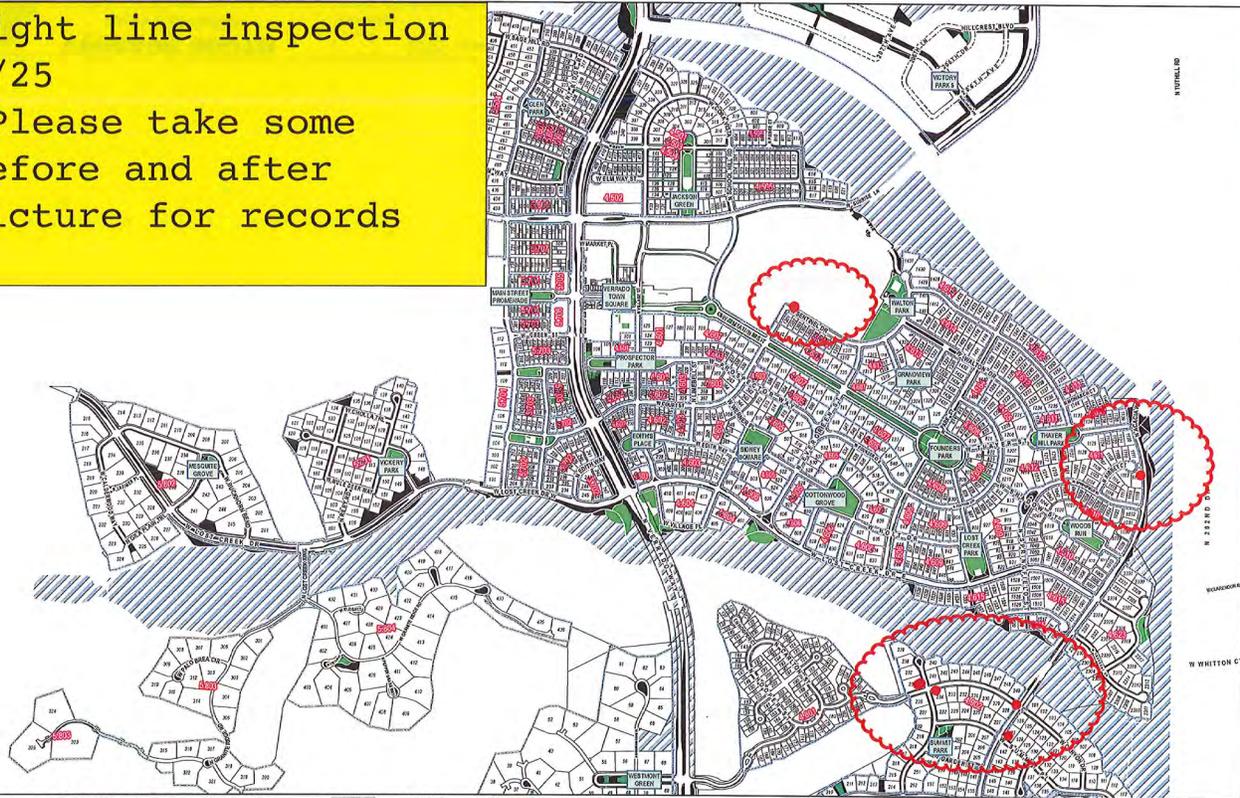
Examples of quality control documents



A sightline report with map locating all sightline issues.



Sight line inspection
4/25
:Please take some
before and after
picture for records



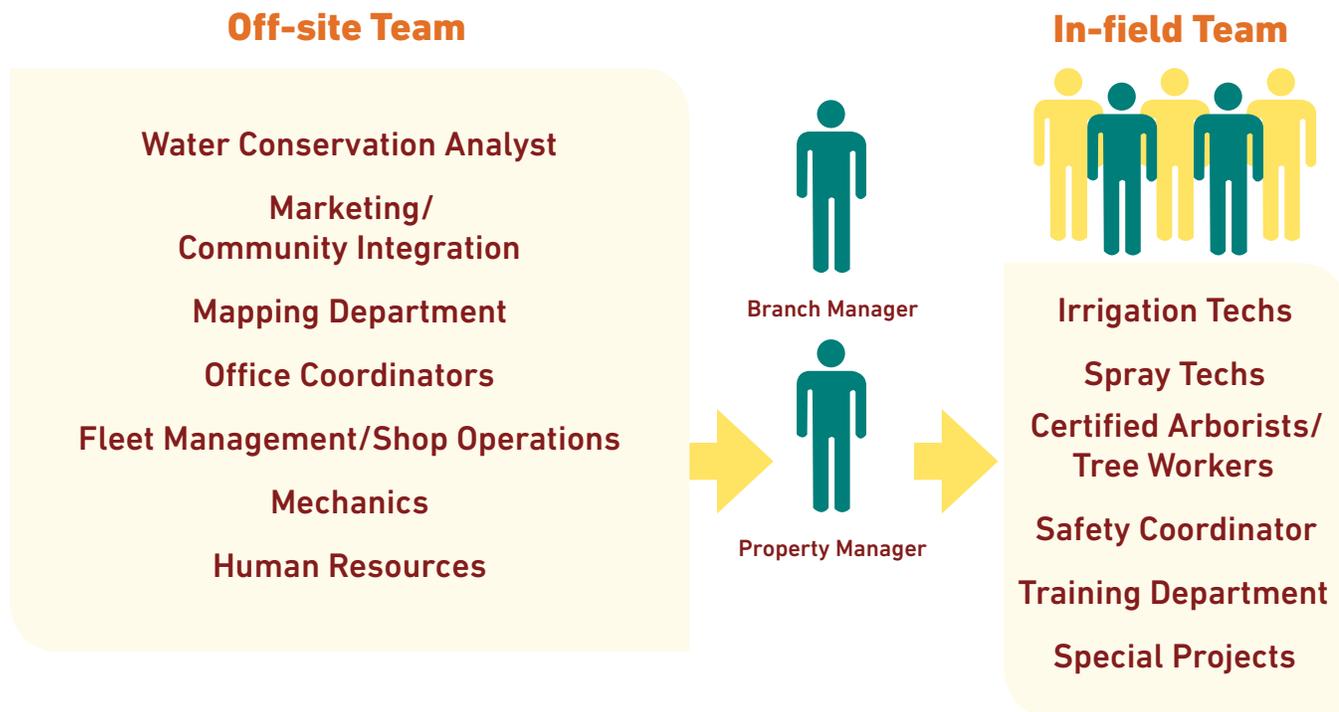
A punch list with photos indicating where there are issues.



DAILY MINIMUM LABOR

There will be a minimum of 17 personnel on-site at Anthem Community Council each work day and a minimum of 2 personnel on-site at Paseo each work day.

However, the number of DLC employees who are dedicated to Anthem Community Council doesn't end with the on-site team. In fact, experts from across DLC will work together and lend their expertise to support to Anthem Community Council every day — from CEO John Holbert to our mechanics who make sure vehicles and power tools are running smoothly to our safety department team members who do monthly safety audits at. The result is a team of employees with vast expertise and decades of experience working together to give Anthem Community Council a beautiful, cost-efficient landscape.



WHAT DO YOU GET WHEN YOU HIRE DLC?

It's not just any group of people — our processes ensure that our crew members are more efficient and are able to cover more ground than other landscapers can. The crew who will be at Anthem Community Council every day is made up of skilled, knowledgeable workers who are passionate about what they do. It's all part of our processes designed to make sure that we're able to deliver the highest quality landscape maintenance services to the Communities we work in.

SAFETY

Safety is at the forefront of all of DLC's processes, and we have a comprehensive safety program to help DLC crews work as safely as possible. This includes daily, weekly and monthly safety meetings to help make sure our employees understand how to protect themselves and others (including residents and guests) as they work. In addition to this formal training, we also use a program called Speak Up, Listen Up, which encourages all employees — regardless of position or seniority — to notice and correct unsafe behavior when they see it.

HIRING

We know we're guests in your Community, and we know how important it is that our employees are **safe and respectful**. We help protect the Communities we work in by performing a rigorous screening process for our potential employees — including a criminal background check, e-Verify and drug testing — and requiring them to meet strict motor vehicle record standards.

TRAINING

Expertise and know-how are key to doing a good job in your landscape. **DLC invests heavily in training** to make sure that all of our employees are able to perform their jobs well. Our Training Department has four full-time employees. These people are dedicated to running internal development programs to make sure our employees have the skills and knowledge they need each day. This includes new hire training, mentor programs for key field positions and advancement programs.

SHOP SUPPORT

When your DLC crew is at Anthem Community Council, we want them to be able to focus on providing top-notch maintenance services — not dealing with equipment breakdowns and repairs. DLC's Shop services all field trucks and equipment **every day** to help make sure they're in good condition and working well.

And, because the Shop loads all of our trucks each night, your crew doesn't have to waste time searching for and loading the tools and equipment they need each morning. Instead, they can head directly to your Community and spend a full 8 hours doing what they do best — working on your landscape.

EMPLOYEE RETENTION

We have great employees, and we want to keep them. **DLC is a 100% ESOP Owned Company**. That means that all DLC employees — after they meet certain administrative requirements — own a part of the company. As employee owners, our crews take additional pride in caring for your community. It also is an incentive for employees to stay with DLC; the longer they work with us, the more the value of their ESOP account grows.



REFERENCES

Bidder's list of references with contact information. The common areas in these Communities are maintained exclusively by DLC and all have a large variety and quantity of trees, shrubs, plants and annual flowers, and a combination of grass, desert and natural landscape settings.

Verrado Community Association



57 acres turf; 201 acres DG; 207 acres natural
Since February 2004 • Buckeye, Ariz.

Scott Rowan

Phone: 623-694-8442

Email: srowan@dmbcommunitylife.com

- High quality leisure turf
- Reclaimed and potable water
- 465 total acres managed



The Arizona Landscape Contractors Association (ALCA) honored DLC Resources and Desert Mountain with Awards of Excellence in 2007 and 2015 a Best Landscape Management Award in 2015.

Grayhawk Community Association



26 acres turf; 153 acres DG; 136 acres natural
Since May 2005 • Scottsdale, Ariz.

Mike Fee

Phone: 480-563-9708

Email: mfee@ccmcnet.com

- High quality leisure turf
- Both overseeded and non-overseeded turf
- 315 total acres managed



The Arizona Landscape Contractors Association (ALCA) honored DLC Resources and Grayhawk Community Association with an Award of Excellence in 2009 and an Award of Distinction in 2017.

Desert Mountain Master Association



1.5 acres turf; 280 acres DG
Since November 2002 • Scottsdale, Ariz.

Kevin Pollock, Bruce Spilka

623-742-4561

Email: kpollock@desertmt.com

bspilka@desertmt.com



The Arizona Landscape Contractors Association (ALCA) honored DLC Resources and Desert Mountain with an Award of Excellence in 2004 and with a Judges Award in 2012.



Aviano Community Association



18 acres turf; 70 acres DG; 74 acres natural
Since December 2008 • Phoenix

Brett Pickering

Phone: 480-538-2800

Email: bpickering@ccmcnet.com

- Both overseeded and non-overseeded turf
- High quality leisure turf
- 162 total acres managed



The Arizona Landscape Contractors Association (ALCA) honored DLC Resources and Aviano with an Award of Excellence in 2010..

Circle Cross Ranch Community Association



32 acres turf; 102 acres DG; 34 acres natural
Since April 2012 • San Tan Valley, Ariz.

Sandra Carlson

Phone: 602-957-9191

Email: scarlson@associatedasset.com

- High quality sports field
- High quality leisure turf
- 168 total acres managed



The Arizona Landscape Contractors Association (ALCA) honored DLC Resources and Circle Cross Ranch with Judges Award in 2014.



DLC Resources' References

Below is a complete list of ALL Communities maintained by DLC. Please call any one of them to find out what it is like to work with DLC.

LANDSCAPE MANAGEMENT CONTRACTS

Community	Contact	Description	Client Since
DESERT MOUNTAIN MASTER ASSN Scottsdale	Kevin Pollock, CCMC¹ (480) 595-4220 kpollock@desertmt.com Bruce Spilka, CCMC¹ (480) 595-4220 bspilka@desertmt.com	300 acres of managed landscape	November 2002
VERRADO COMMUNITY ASSN* Buckeye	Scott Rowan, DMB Associates (623) 694-8442 srowan@dmbcommunitylife.com	430 acres of managed landscape	February 2004
ANTHEM NORTH COUNTRY CLUB CA* Anthem	Margaret Troyer, AAM² (602) 957-9191 mtroyer@associatedasset.com	184 acres of managed landscape	November 2007
GRAYHAWK COMMUNITY ASSN* Scottsdale	Mike Fee, CCMC¹ (480) 563-9708 mfee@ccmcnet.com	295 acres of managed landscape	May 2005
PARKWOOD RANCH COMMUNITY ASSN* Mesa	Kevin Bishop, Renaissance Community Partners (480) 813-6788 kevin@rcplimited.com	71 acres of managed landscape	May 2010
VISTANCIA VILLAGE A CA Peoria	Dick Rosenhagen, CCMC (623) 215-8646 drosenhagen@ccmcnet.com	175 acres of managed landscape	April 2018
VILLAGES OF EASTRIDGE CA* Mesa	Rob Bishop, Renaissance Community Partners (480) 813-6788 rb@rcplimited.com	55 acres of managed landscape	June 2010
THE BRIDGES AT GILBERT COMMUNITY ASSN Gilbert	Rob Bishop, Renaissance Community Partners (480) 813-6788 rb@rcplimited.com	100 acres of managed landscape	September 2017
EASTMARK RESIDENTIAL ASSN Mesa	Scott Rowan, DMB Associates (623) 694-8442 srowan@dmbcommunitylife.com	100 acres of managed landscape	September 2014
MCDOWELL MOUNTAIN RANCH CA Scottsdale	Chris Richardson, AAM² (602) 957-9191 crichardson@associatedasset.com	475 acres of managed landscape	October 2001
TIERRA DEL RIO NORTHLANDS CA Peoria	Melanie Veach, AAM² (602) 957-9191 mveach@associatedasset.com	100 acres of managed landscape (at buildout)	August 2015
FULTON RANCH HOMEOWNERS ASSN Chandler	Catherine LaTona, CCMC¹ (480) 921-7500 clatona@ccmcnet.com	90 acres of managed landscape	September 2016
RED MOUNTAIN RANCH OWNERS ASSN* Mesa	Don DeBaca, Ohana Community Management Services (480) 643-9299 rmoa@msn.com	58 acres of managed landscape	April 2001
STETSON VALLEY OWNERS ASSN* Glendale	Roger Hartzog, Planned Development Services 623-298-5965 rhartzog@pdsaz.com	192 acres of managed landscape	August 2006
FIREROCK COMMUNITY ASSN Fountain Hills	Stephanie Fee, CCMC¹ (480) 836-4323 sfee@ccmcnet.com	54 acres of managed landscape	December 2012

FOOTNOTES: *DLC Tree Work over 10'; ¹CCMC, Capital Consultant Management Company; ²AAM, Associated Asset Management



DLC REFERENCES (CONT.)

Community	Contact	Description	Client Since
MISSION ROYALE HOA II – SINGLE FAMILY Casa Grande	Amy Dyer, AAM² (602) 957-9191 adyer@associatedasset.com	100 acres of managed landscape	October 2007
WINDROSE AT ZANJERO TRAILS CA Greater Phoenix Valley	Jessica Baechle, CCMC¹ 480-921-7500 jbaechle@ccmcnet.com	31 acres of managed landscape	February 2018
AVIANO COMMUNITY ASSN* Phoenix	Brett Pickering, CCMC¹ 480-538-2800 bpickering@ccmcnet.com	116 acres of managed landscape	December 2008
THE MEADOWS COMMUNITY MASTER ASSN Peoria	Dani McMurray, AAM² 602-957-9191 dmcurray@associatedasset.com	100 acres of managed landscape (at buildout)	January 2014
MARLEY PARK COMMUNITY ASSN* Surprise	Scott Rowan, DMB Associates (623) 694-8442 srowan@dmbcommunitylife.com	80 acres of managed landscape	June 2009
WICKENBURG RANCH COMMUNITY ASSN, INC. Wickenburg	Misty Morgan, AAM² (602) 957-9191 mmmorgan@associatedasset.com	120 acres of managed landscape	December 2015
CITY OF PHOENIX LANDSCAPING* Adjacent to City Freeways	Aaron Romero, Street Transportation (602) 534-9898 aaron.romero@phoenix.gov	475 acres of managed landscape	April 1990
TRAMONTO MASTER COMMUNITY ASSN Phoenix	Christa Musgrave, AAM² (602) 957-9191 cmusgrave@associatedasset.com	140 acres of managed landscape	September 2013
WEST WING MOUNTAIN HOMEOWNERS ASSN Peoria	Darline Castellaneta, City Property Management Company (602) 437-4777 darline@cityproperty.com	115 acres of managed landscape	October 2018
BLACKSTONE AT VISTANCIA Peoria	Dick Rosenhagen, CCMC (623) 215-8646 drosenhagen@ccmcnet.com	90 acres of managed landscape	May 2019
SUPERSTITION MOUNTAIN OWNERS ASSN Gold Canyon	Alex Wright, CCMC¹ (480) 983-6773 awright@ccmcnet.com	75 acres of managed landscape	October 2017
TOSCANA OF DESERT RIDGE MAINTENANCE ASSN Phoenix	Nicole Careaga, CCMC¹ (480) 585-0808 ncareaga@toscanaliving.net	5 acres of managed landscape	December 2017
CIRCLE CROSS RANCH COMMUNITY ASSN San Tan Valley	Sandra Carlson, AAM² (602) 957-9191 scarlson@associatedasset.com	150 acres of managed landscape	April 2012
MULBERRY COMMUNITY ASSOCIATION Mesa	Brooke Baughn, CCMC¹ 480-921-7500 bbaughn@ccmcnet.com	30 acres of managed landscape	January 2019
FIRESIDE AT NORTERRA COMMUNITY ASSN Phoenix	Dawn Crandall, AAM² (602) 957-9191 dtalley@associatedasset.com	182 acres of managed landscape	January 2018
MOUNTAIN BRIDGE COMMUNITY ASSN Mesa	Michael Moore, CCMC¹ (480) 284-4510 mmoore@ccmcnet.com	125 acres of managed landscape	September 2012
LAREDO RANCH COMMUNITY ASSN San Tan Valley	Danielle Brackemeyer, AAM² (602) 957-9191 dbrackemeyer@associatedasset.com	53 acres of managed landscape	March 2013

FOOTNOTES: *DLC Tree Work over 10'; ¹CCMC, Capital Consultant Management Company; ²AAM, Associated Asset Management



DLC Resources' Licenses

STATE OF ARIZONA



Office of the
CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

I, the undersigned Executive Director of the Arizona Corporation Commission, do hereby certify that:

DLC RESOURCES, INC.

ACC file number: 05216980

was incorporated under the laws of the State of Arizona on 08/08/1989;

That all annual reports owed to date by said corporation have been filed or delivered for filing, and all annual filing fees owed to date have been paid; and

That, according to the records of the Arizona Corporation Commission, said corporation is in good standing in the State of Arizona as of the date this Certificate is issued.

This Certificate relates only to the legal existence of the above named entity as of the date this Certificate is issued, and is not an endorsement, recommendation, or approval of the entity's condition, business activities, affairs, or practices.

IN WITNESS WHEREOF, I have hereunto set my hand, affixed the official seal of the Arizona Corporation Commission, and issued this Certificate on this date: **08/23/2019**



A handwritten signature in black ink, reading "Matthew Neubert".

Matthew Neubert, Executive Director



———— IMPORTANT NOTICE ————
YOU MUST:

- 1.) REPORT DISSOCIATION OF QUALIFYING PARTY **IN WRITING** WITHIN 15 DAYS. [SEE A.R.S. § 32-1154(A)(18)]
- 2.) REPORT A CHANGE OF ADDRESS **IN WRITING** WITHIN 30 DAYS. [SEE A.R.S. § 32-1122(B)(1)]
- 3.) REPORT ANY TRANSFER OF OWNERSHIP OF 50% OR MORE IMMEDIATELY [SEE A.R.S. § 32-1151.01]
- 4.) REPORT ANY CHANGE IN LEGAL ENTITY, SUCH AS ANY CHANGE OF THE OWNERSHIP IN A SOLE PROPRIETORSHIP OR CHANGE OF A PARTNER IN A PARTNERSHIP OR THE CREATION OF A NEW CORPORATE ENTITY. [SEE A.R.S. § 32-1124(B)(F) § RULE R-4-9-110]

D L C Resources Inc

1550 E Missouri Ave Ste 100
Phoenix, AZ 85014-2455

**THIS IS YOUR IDENTIFICATION CARD
DO NOT DESTROY**



LICENSE EFFECTIVE THROUGH: 10/31/2019
STATE OF ARIZONA
Registrar of Contractors CERTIFIES THAT
D L C Resources Inc

CONTRACTORS LICENSE NO. **84804** CLASS **A**
General Engineering

THIS CARD MUST BE PRESENTED UPON DEMAND

Jeff Fleetham
JEFF FLEETHAM, DIRECTOR

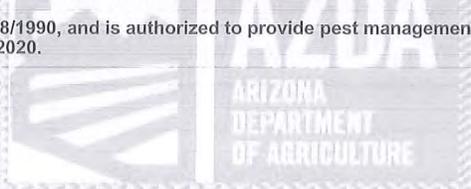


DOUGLAS A. DUCEY Governor **Arizona Department of Agriculture** **MARK W. KILLIAN** Director
Pest Management Division
1688 West Adams Street, Phoenix, AZ 85007
Phone: 602-542-3578 Fax: 602-542-0466
<https://agriculture.az.gov.gov>

BUSINESS LICENSE **Non-Transferable**

DLC RESOURCES, INC.
Business License Number: 4391

Has been licensed since 02/08/1990, and is authorized to provide pest management services in Arizona through the last day of May 2020.



Printed: 04/01/2019
Printed By: 4391

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Non-Transferable **Arizona Department of Agriculture** **Printed: 06/01/2017**
Pest Management Division **Printed By: 31141**
1688 West Adams Street, Phoenix, AZ 85007
6025423578 Phone; 6025420466 Fax
<http://www.azda.gov>

License No: 31141

Qualified Applicator Certification

ISSUED TO:
1000004329
JAMES CARTER
1550 E. MISSOURI AVE
PHOENIX AZ 85014



QP Licensed Categories	Expires	Status
3- Ornamental & Turf	05/31/2018	Active
4- Right-of-Way	05/31/2018	Active

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INTERNATIONAL SOCIETY OF ARBORICULTURE
CERTIFIED ARBORIST™

Erik Mauel

Having successfully completed the requirements set by the
International Society of Arboriculture, the above named
is hereby recognized as an ISA Certified Arborist®



Kevin Martiège
Kevin Martiège
Director of Credentialing
International Society of Arboriculture

Caitlyn Polihan
Caitlyn Polihan
Executive Director
International Society of Arboriculture

WE-8819A
Certification Number

25 Apr 2009
Certified Since

30 Jun 2021
Expiration Date



#0847
ISO/IEC 17024
Personnel Certification Program
ISA Certified Arborist®

Employee Certifications

We invest in training and developing our people. This means you will have highly trained professionals working in your community.

AZ PEST MANAGEMENT DIVISION LICENSED PEST CONTROL APPLICATOR

Ricardo Soto - 70274
Moises Rodriguez Dicochea - 50253
Luis Fierro Ruiz - 30252
James Carter - 31141
Saul Valdez-Hurtado - 70833
Eleazar Herrera - 61157
Pablo Pescador - 61132
Victor Fuentes Moreno - 30424
Jose Balanzar - 051105
Erik Mauel - 061202
Marco Amezcua - 050178
Fermin Banda - 100491
Jose Amezcua - 040654
Victor Herrera - 120224
Samuel Ramirez - 90356
Brett Board - 90408
Eddie Tweedie - 090633
Moses Valdez - 110105
Melanie Norman - 8371
Christian Fonseca Jasso
Alan Villegas - 110384
Ricardo Bejarano Hernandez
Ryan Taylor - 040104
Estevan Rodriguez - 150815
Roberto Armenta - 130682
Erik Perez
Nestor Jimenez - 160102
Rodney Pampel - 130041
Benjamin Valencia - 140259
Raul Martinez - 150828
Julian Garcia - 150845
Alberto Ruiz - 120358
Felipe Teran - 150791
William Redford - 150463
Christopher Mariani - 170347
Tyler Nelson - 160444
Andrew Tweedie - 190531
Sergio Olvera Fregoso - 130634
Ray Dominguez - 170433
Gabriel Aros - 171044
Abiud Hernandez-Garcia - 190532
Elias Alcalá Rios - 180769
Hector Acosta Soto
Isael Gonzalez - 180664
Landen Woodward - 190072
Benjamin Larson - 160415
Corey Wheeler - 181017
Erik Lopez - 181171
Manuel Rivera - 180995



Jorge Lopez - 181069
Santiago Miranda
Howard Underwood
Cornelio Varela - 190474
Juan Marquez - 190474
Robert Resendez

AZ MUNICIPAL WATER ASSOCIATION SMARTSCAPE CERTIFIED

James Carter
Matthew Jacobson



AZ LANDSCAPE CONTRACTORS ASSOCIATION CERTIFIED LANDSCAPE PROFESSIONAL

Jeffrey Penney - H1274
James Holbert - AB3038
Raymond Schwab - AB3138
Michael Rasmussen - X2806
Janet Dempsey - AB3008
Luis Fierro Ruiz - Y2846
James Carter - J1556
Eleazar Herrera - AC3178
Matthew Jacobson - AD3319
Erik Mauel - AH36111
Alberto Ruiz - AN42812



AZ LANDSCAPE CONTRACTORS ASSOCIATION SUSTAINABLE LANDSCAPE MANAGEMENT

Janet Dempsey - A0312-27
Matthew Jacobson - B0213-05
Erik Mauel - A0112-12
Marco Amezcua - S0219-1494
Eddie Tweedie - A0916-667
Alberto Ruiz - B0113-13



US ENVIRONMENTAL PROTECTION AGENCY WATER SENSE PARTNER

Mark Dalley



MARICOPA COUNTY RULE 310 CERTIFIED

Matthew Jacobson
Erik Mauel
Erik Mauel
Eddie Tweedie - C-671
Ted Guzman



IRRIGATION ASSOCIATION CERTIFIED IRRIGATION CONTRACTOR

Mark Dalley - 61789



DLC CERTIFICATIONS (CONT.)

IRRIGATION ASSOCIATION CERTIFIED IRRIGATION DESIGNER

Mark Dalley - 61789



IRRIGATION ASSOCIATION CERTIFIED IRRIGATION LANDSCAPE IRRIGATION AUDITOR

Janet Dempsey - 87015

James Carter - 018987

Mark Dalley - 61789



IRRIGATION ASSOCIATION CERTIFIED LANDSCAPE WATER MANAGER

Mark Dalley - 61789



TUCOR FACTORY TRAINED

Mark Dalley



RAINBIRD MAXICOM CERTIFICATION

Daniel Canez



INTERNATIONAL SOCIETY OF ARBORICULTURE CERTIFIED ARBORIST

Raymond Schwab - WE-6816A

Michael Rasmussen - WE-8814A

James Carter - WE-6991A

Matthew Jacobson - WE-9746A

Erik Mauel - WE-8819A

Michael Walker - WE-7877A

Sergio Olvera Fregoso - WE-10706A



WESTERN CHAPTER INTERNATIONAL SOCIETY OF ARBORICULTURE CERTIFIED TREE WORKER

Edgar Figueroa - 1831C

Edgar Figueroa - WE-10827T

Jeremias Lorenzo

Hipolito Burgos - 1970C

Hipolito Burgos

Francisco Almonte - 1981C

Octavio Marrufo



SUBCONTRACTORS

DLC is a full-service landscape management company, and we generally do not outsource work. Rarely, subcontractors are used for unique situations; however we feel we will be able to fulfill your scope of work without the use of subcontractors.

All of our processes are designed around meeting the landscape needs of large-scale HOA Communities in the Greater Phoenix Valley. In addition to our Maintenance Division, which handles all general landscape care (pruning, mowing, trimming, detailing, cleaning, etc.) we also have specialized in-house departments that will meet the other needs of this scope of work:

- Spray Division - DLC employs more than 55 Arizona Department of Agriculture Pest Management Division Licensed Pest Control Applicators. Our dedicated Spray Operations Division is on hand to help control weeds at Sierra Montaña. A spray technician will be assigned to your Community.
- Water Management Team - DLC has a specialized Water Management Department led by Mark Dalley, one of the Valley's foremost experts on HOA irrigation management. Together with the irrigation technician dedicated to Sierra Montaña, the water team will track, manage and control the water use in your Community and help troubleshoot any issues with your irrigation system.
- Arbor Division - DLC is proud to have one of the largest teams of International Society of Arboriculture (ISA) Certified Arborists, Certified Tree Workers and trained tree climbers in the state. In fact, unlike our competitors, your tree crews will be led by a dedicated ISA Tree Worker. A skilled Certified Arborist develops the plan for your trees and our Certified Tree Worker ensures your trees are safely and carefully pruned to promote healthy and prosperous growth.
- Fabrication - DLC's in-house fabrication department is on-hand to create customized signs, sculptures, fences, dog stations and more for the Communities we work in.
- Construction Division - Our in-house Construction Division handles infrastructure management and upgrades: culvert maintenance, long-term erosion control, irrigation system conversion, new granite installation, turf conversions, and more.



EQUIPMENT LIST - ACC



Light Duty Truck - Crew Cab - 2



Pick-up Truck - 2



Chipper - 1 (Stationed at ACC)



Utility Carts - 5



Mowers - 3 (Stationed at ACC)



Harper Vacuum - 1 (Stationed at ACC)

Also: 12-passenger van for crew transport; various hand and power tools



EQUIPMENT LIST - PASEO



Mower - 1 (Stationed at ACC)



Utility Cart - 1



3229 W. Mohave Street, Phoenix, Arizona 85009
Phone (602) 241-1600 Fax (602) 268-6678

ROC 084804-A
www.dlcreources.com

John Holbert
CEO

Lauren Cameron
Anthem Community Council
3701 W. Anthem Way, Suite 201
Anthem, AZ 85086

Dear Lauren Cameron,

Enclosed you will find DLC Resources Inc's full response to your Request for Proposals issued August 6, 2019.

We hope it is obvious in our proposal how eager we are to work with Anthem Community Council again. We truly feel we are the best landscape management company to care for your complex landscape, and we know we have the experience and expertise to be successful.

We have more than 30 years of experience caring for common area landscapes in the Greater Phoenix Valley. In fact, that's all we do. All of our processes are designed around the needs of complex HOA landscape maintenance. As such, we've thoroughly refined our processes and are able to deliver superior landscape services to Anthem Community Council. You can read more about our experience working in large-scale HOAs and our services [here](#).

[Here](#) you will find detailed plans for how we will approach working at Anthem Community Council. Because your common area landscape is so large and complex, planning will be at the core of how we work. It will allow us to provide you with consistent curb appeal and help us make sure your amenities are being well-taken care of and our work will coincide with your active calendar of events. Examples of our planning and reporting documents can be found [here](#).

We understand that a high level of service is required for Anthem Community Council, and it will take expertise and experience to be successful there. We will dedicate a well-rounded, well-trained team of experts to your Community. We have included biographies of key team members [here](#).

Part of DLC's company culture is following through on our promises — in short, doing what we say we're going to do and holding ourselves accountable. When we agree to take on your scope of work, we go to work each day to make sure all provisions in it are being met and you're getting the results you expect. As such, we do not foresee any other contract impacting our capacity to excel in your landscape.

If you have any questions about any of the information in this proposal or anything else related to your landscape, please don't hesitate to contact me at 602-721-6718.

Sincerely,

John Holbert
CEO, DLC Resources, Inc.

anthem

community council



LANDSCAPE MAINTENANCE SERVICES REQUEST FOR PROPOSALS

*Issued August 6, 2019
Response due by 4 p.m., September 3, 2019*

Anthem Community Council
3701 W. Anthem Way, Suite 201 | Anthem, AZ 85086
Contact: Lauren Cameron, lcameron@anthemcouncil.com

Landscape Maintenance Services

Request for Proposals

Section A INTRODUCTION

The Anthem Community Council, Inc. (hereinafter “ACC”) invites qualified landscape maintenance Contractors to provide a competitive and comprehensive proposal for landscape maintenance services for parcels owned or maintained by the Anthem Community Council. Because of the large scale and complex nature of the landscaping requirements in this RFP, and the ACC’s insistence on meticulous and high-quality landscape care, this RFP is targeted at professional landscape maintenance Contractors with a proven track record of excellence in serving properties with comparable size, scope and quality standards to Anthem.

A.01 Background of Anthem

With a population of approximately 30,000 residents, Anthem is the premier master planned community in the North Valley. Located at the base of Daisy Mountain in the Sonoran Desert, Anthem offers the amenities and services of a vibrant community with the serenity and charm of a small town. Anthem spans both the east side of I-17 (unincorporated Maricopa County) and the west side of I-17 (City of Phoenix), with two exits on I-17 that are a relatively short drive from the 101 and 303 interchanges. Anthem was awarded “Best Master Planned Community” in 2001, named one of Phoenix Magazine’s “Best Family-Friendly Neighborhoods” in 2012 and awarded “Best Master Planned Community for Children” in 2016, among other state and national awards.

Anthem was developed by Del Webb in 1999, initially built out in 2008 and is governed by the Anthem Community Council (master governing entity), and three separate homeowner associations (HOAs)—the Anthem Parkside Community Association (Parkside), the Anthem Country Club Community Association (Country Club) and The Village at Anthem Condominium Council of Co-owners (Village). This RFP is issued on behalf of the ACC, and does *not* include landscape maintenance services under the purview of the HOAs (see A.02 regarding Parkside’s RFP).

Anthem is well known and highly regarded for the overall beauty and design of landscaping features throughout the community. The ACC is responsible for maintaining much of this landscaping. Here is a summary listing of the ACC landscape service areas included in this RFP (refer to **Exhibit C**):

- *Community Park* (41703 N. Gavilan Peak Parkway): 63 acres with three Little League fields, four softball fields, four multi-use fields, four sand volleyball courts, six basketball courts, Adventure Playground and splashpad, Discovery Playground, Anthem Veterans Memorial, amphitheater, skate park (expanding in 2020), hockey rink, fishing lakes, ramadas, small scale railroad circuit, restrooms, parking lots, open space and extensive trees and landscaping.
- *Opportunity Way Park* (41906 N. 46th Lane): 10 acres with five multi-use fields (sand base), two playgrounds, two ramadas, large retention basin with trees, walking track, restrooms, parking, open space and extensive trees and landscaping.

- *Liberty Bell Park* (40106 N. Liberty Bell Way): Approximately 10 acres with splashpad, playground, multi-use field, ramada, restroom, parking lot, open space and extensive trees and landscaping.
- *Dog Park* (2707 W. Meridian Dr.): This park will open in fall 2019, consisting of approximately seven acres, with four off-leash grass areas (sand base) totaling three acres, retention basins, maintenance access gates, parking lot, extensive trees and landscaping.
- *Community Center* (41130 N. Freedom Way): Large multi-use recreational facility with gymnasium, fitness center, rock wall, outdoor pool/water park, six tennis courts, 10 pickleball courts, sand volleyball court, playground, locker rooms, restrooms, parking lots, open space and extensive trees and landscaping.
- *Civic Building* (3701 W. Anthem Way): Large multi-purpose facility housing Anthem's administrative offices, leased offices, meeting rooms, multi-purpose rooms, restrooms, parking lot, extensive trees and landscaping. The Civic Building also houses a substation for the Maricopa County Sheriff's Office.
- *Roadsides and Medians*: The ACC maintains several miles of landscaping along major roads and in medians, including landscaping within the County right-of-way east of I-17 (e.g., Anthem Way, Meridian Drive, Daisy Mountain Drive, Gavilan Peak Parkway), and all roadside areas owned by the ACC throughout Anthem.
- *Multi-use Trail System*: The ACC maintains approximately 15 miles of multi-use trails throughout Anthem.
- *Conservation Areas*: The ACC is responsible for protecting over 1,400 acres of washes and open space pursuant to Restrictive Covenants with the Army Corps of Engineers. Landscape maintenance in these protected areas is limited to brush clearance along several miles of walls and view fences and periodic cleanup activities.
- *Miscellaneous*: Within the above referenced areas, maintenance is provided to over 20,000 trees, 350 acres of desert landscaping, and over 65 acres of turf, including several grass entrance areas to various Parkside neighborhoods.
- *Commercial Landscape Easements*: The ACC maintains 14 landscape easements adjacent to major commercial areas in Anthem, both east and west of I-17 (refer to **Exhibit D**).
- *Paseo Townhomes*: The ACC is responsible for maintaining the common landscaped areas within this 160-unit townhome complex located at Gavilan Peak Parkway and Venture Drive, across from the Community Park. Paseo is the only residential area maintained in total by the ACC and it is invoiced separately from the ACC's Base Monthly Services Fee, as its landscape maintenance is funded by Paseo property owners. (*Note: Contractors who wish to bid only on the Paseo landscape services contract may so advise in their transmittal letter, and complete the applicable section of Exhibit A.*)

Interested Contractors are encouraged to visit Anthem's community website at OnlineAtAnthem.com to gain additional insight about the above service areas and amenities, including maps and other details. It is also imperative that Contractors who plan to submit proposals take the time to conduct site visits of these service areas during regular operating hours.

A.02 Important Clarification as to the Roles of the Anthem Community Council (ACC) and the Anthem Parkside Community Association (Parkside)

The ACC and Parkside are separate legal entities with different governing boards; however, these organizations frequently work together to achieve optimal outcomes and efficiencies for Anthem residents. It is for this reason that both of the organizations are issuing RFPs for landscape maintenance services in a collaborative manner as to the process steps and timeline, while acknowledging their separate and independent decision-making framework. As many parcels of land owned by the ACC are adjacent to parcels of land owned by Parkside, it has been advantageous for both entities to use the same landscape maintenance Contractor. In addition to the consistency of service, the collective use of the same landscape Contractor historically has resulted in numerous efficiencies and economies of scale, with the result being better coordination and pricing than could have been achieved if the ACC and Parkside utilized different landscape Contractors.

With this in mind, **Exhibit A** allows for each bidder to identify their pricing to the ACC on (a) the presumption that the same landscaper is selected by both organizations; and (b) the presumption that different landscapers are selected by each organization.

A.03 RFP Timeline

The proposed timeline for this RFP process is outlined below. Should any dates change, the ACC will advise all participating Contractors, accordingly.

Aug. 6:	RFP issued and posted on Anthem's website (<i>OnlineAtAnthem.com</i>)
Aug. 15:	<i>Mandatory</i> pre-bid conference conducted jointly with Parkside, held at 10 a.m. at the Civic Building, 3701 W. Anthem Way. Contractors will be registered to receive updates/addendums at this meeting.
Aug. 23:	Last day for questions from registered Contractors
Aug. 28:	Final answers issued to registered Contractors
Sept. 3:	Proposals due to ACC and Parkside (independently) at 4 p.m.
Sept. 20:	ACC Evaluation Team conducts interviews with top respondents (Parkside evaluation team may also use this date for interviews).
Oct. 17:	Parkside Board Meeting – approval of recommended Contractor
Oct. 23:	ACC Board Meeting – approval of recommended Contractor
Nov. 20:	ACC Board Meeting – backup approval date, if needed
Jan. 1, 2020:	Selected Contractor begins work

A.04 Mandatory Pre-Bid Meeting

As noted above, the ACC will hold a mandatory pre-bid meeting for all interested organization on August 15, 2019 at 10 a.m. at the Anthem Civic Building, 3701 W Anthem Way. Please confirm your planned attendance to Ms. Lauren Cameron no later than August 12 (*lcameron@anthemcouncil.com*).

Please note that it is our objective to provide as much information as possible to all interested bidders. We will accept written questions from registered Contractors through August 23 and endeavor to provide answers to all registered Contractors by August 28. Any addendums to the RFP will be provided to all registered Contractors when issued.

A.05 RFP Bid Response

Your sealed proposals are due by **Tuesday, September 3, at 4 p.m.** Please deliver six hard copies of the proposal and one emailed copy to:

Anthem Community Council, Inc.
Attn: Ms. Lauren Cameron
3701 W. Anthem Way, Suite 201
Anthem, AZ 85086
lcameron@anthemcouncil.com

Additionally, the following parties should be copied on your email submission:

Brian Duncan	Parks & Facilities Director	<i>bduncan@anthemcouncil.com</i>
John Lunsford	Facility Manager – Landscaping	<i>jlunsford@anthemcouncil.com</i>
Neal Shearer	Community Executive Officer	<i>nshearer@anthemcouncil.com</i>

Bids received after the due date will not be accepted. The ACC reserves the right to reject any or all bids and waive any bid requirement, if in the best interest of the ACC.

A.06 Seeking Long-term Contractual Relationship

The ACC last issued an RFP for community-wide landscape maintenance in 2010. We recognize that a service contract of this size and scope is more conducive to a long-term partnership, due to the Contractor’s investment in staffing, capital equipment, and knowledge of the service areas and irrigation systems. Therefore, the landscape maintenance services agreement beginning in 2020 will allow the selected Contractor to remain the ACC’s service provider for a period of up to ten years (initial two-year term plus four two-year extensions). Providing the selected Contractor maintains a consistently high level of quality service with competitive pricing and incentives, and is a strong corporate and community partner, the ACC looks forward to a long-term contractual relationship that benefits all parties and the community (this is consistent with Parkside’s perspective).

Section B BIDDER GUIDELINES

It is the bidder's sole responsibility to carefully review the scope of work as a condition of providing their bid. It is each bidder's sole obligation to familiarize your organization with this document, the community, its amenities, landscaping and turf management expectations, and all other aspects of Anthem's landscaping needs as a condition of submitting your proposal.

For purposes of this RFP, bids and proposals should be considered synonymous.

Registered Contractors may submit inquiries related to this RFP in writing to Lauren Cameron (lcameron@anthemcouncil.com) no later than August 23.

B.01 Bidder Qualifications

Bidders should meet the following minimum qualifications:

- a) Bidders must have valid, in-force Arizona Contractor's license(s), plus valid license(s) and qualifying parties for weed management and pesticide applications, as applicable.
- b) Additionally, bidders must demonstrate that they hold valid, in-force permits, licenses and professional credentials to properly perform all services required within this document.
- c) Bidders must have at least one (1) irrigation specialist on-site. Bidders must be able to demonstrate that their qualified irrigation specialist(s) assigned to this account have experience with multiple types of irrigation systems and controllers, including the WeatherTrak products.
- d) Bidders must have on-staff a certified arborist who is in the Phoenix area and available, as needed.
- e) Bidders must be able to demonstrate that they have adequate financial stability to successfully and timely perform all services listed in this document. Either certified financial statements or other appropriate financial documents would be acceptable for this purpose, all of which will be held under confidential cover.
- f) Bidders must be able to demonstrate that they have the labor, management structure, materials, equipment, tools, and expertise to fulfill the requirements of this RFP in a professional and workmanlike manner; and that they have experience performing such services in large-scale communities with amenities and quality standards comparable to Anthem.
- g) If bidder intends to use a subcontractor for identified specialized work (such as, for example, weed management and chemical applications), then the bidder should identify within this document, the subcontractor and the licenses that the subcontractor holds.

B.02 Guidelines

It is the sole responsibility of each bidder to carefully review their planned submission in advance of the ACC receiving it, based on a careful reading and understanding of this document's requirements. Once submitted, the ACC will take the position that the contents of the bid will become part of the final service agreement, along with this RFP. The selected Contractor will be expected to sign the draft service agreement included in this RFP and perform the specified scope of services, unless both parties agree upon modifications to clarify expectations and/or improve quality, efficiencies or outcomes.

It is the intention of the ACC to perform site visits to reference communities. Properties should be of a size and scope reasonably similar to Anthem (refer to B.06). When bidders are providing reference communities, these communities should, ideally:

- Be exclusively maintained by the bidder's organization;
- Contain high quality sports fields and leisure turf areas;
- Have a large variety and quantity of trees, shrubs, plants and annual flowers, and a combination of grass, desert and natural landscape settings;
- Have large-scale irrigations systems that use both reclaimed and potable water sources; and
- Have examples of overseeded and non-overseeded Bermuda grass that experience significant use from special events, sports and regular leisure activities.

As part of the bidder's response, the ACC would like to see examples of large-scale maintenance schedules and work plans (weekly, monthly, seasonal) that the bidder utilizes for other communities, so that we can determine the level of organization and attention to detail that the bidder organization uses when performing comprehensive services for communities similar in scope to Anthem.

Additional legal notes:

- The ACC has the right to accept or reject any or all bids.
- The ACC has the right to reject any portion of a bid.
- The ACC has the right to waive any bid requirement.
- The ACC has the right to modify the timeline in this RFP.
- The decision of the ACC to award or not award to any bidder is solely reserved to the ACC.
- In the event of a difference of opinion as to what any language means within the scope of this RFP document, the interpretation of the ACC shall be binding.

By submitting a bid, each bidding organization states that their organization and their respective employees, agents and principals did not engage in any collusion or any other non-competitive practices in connection with the submission and creation of their bid response.

By submitting a bid, each bidding organization states that their organization has not and will not engage in any lobbying efforts directed at representatives of the ACC that are designed to influence the otherwise fair and impartial review of this proposal.

B.03 Evaluation Process and Criteria

Proposals will be reviewed by an evaluation committee consisting of key ACC employees and representatives of the Board of Directors. It is the intention of the ACC to award the contract to the most responsible and qualified bidder based on:

- *Responsiveness*. This addresses how well the proposal meets the requirements set forth in the RFP, including the clarity and completeness of submittal materials, and an overall understanding of the scope and complexity of the landscape services to be provided.
- *Qualifications and Capacity to Perform*. This addresses the Contractor's background; stability and experience with comparable landscape maintenance contracts and service areas; track record in delivering high quality and meticulous landscape care with

comparable communities/accounts; relevant experience and qualifications of key personnel that would oversee the ACC's contract; Contractor's capacity to provide the necessary labor force and equipment to excel in the performance of their duties; references from comparable service accounts; site visits and relevant observations; and the interview process (if invited).

- *Pricing and Incentives.* This addresses the Contractor's proposed fee structure for base contract services, unit pricing, and incentives as reflected on Exhibits A and B. While pricing and incentives are important considerations and will be critical factors in the final decision, this is not a "low bid"-based decision process. The combination of criteria outlined above will be evaluated to select the most responsible and qualified Contractor that provides optimal value to the ACC and the community.

Evaluation considerations will include, but not be limited to:

- a) The bidder's proposed landscape and turf management solutions to be deployed in order to maintain the look and feel and visual aesthetic of the community.
- b) The bidder's demonstrated experience in performing similar services for HOA communities, parks, and sports fields.
- c) The bidder's success in performing similar services in reference accounts where the ACC can clearly and visibly see the quality of care exercised and demonstrated in such communities.
- d) Examples of the bidder's attention to quality control and administrative oversight over general landscape work and work orders, as seen in Quality Control (QC) Checklists, Daily Work Checklists and other types of documents that speak to the bidder's attention to detail.
- e) The bidder's approach to weed management in order to control weed growth and proliferation, so that the ACC can determine if the bidder has, and will expend, appropriate resources to control weeds throughout the community.
- f) The bidder's attention to advanced planning in cooperation with the ACC, so that all landscape and turf areas are addressed in a timely manner that does not conflict with community events, and is scheduled at such times so that more involved processes such as overseeding, sod replacement, irrigation maintenance, etc. are scheduled and performed in advance of need and to maximize the visual appeal of all areas prior to the need/event(s).
- g) The bidder's financial stability and years in business, as evidenced by the bidder's submission of confidential financial statements for the 2017 and 2018 operating years.
- h) The bidder's local account management experience as evidenced by the bidder's submission of biographies of proposed key personnel.
- i) The bidder's demonstrated safety experience as documented by the bidder's submission of relevant documents addressing this concern.
- j) The bidder's character, integrity, reputation, service orientation, ethics and other tangible and intangible aspects of the bidder's organization so as to be compatible with the Anthem Way Values (Integrity, Respect, Friendly/Quality Service, Taking Ownership, Care & Pride, and the Collective Good & Benefit of Anthem).
- k) The bidder's daily deployment of labor proposed to provide base monthly services and their demonstrated capacity to bring in additional labor and equipment to address special projects, seasonal work peaks, and other work not included in the base monthly fee.
- l) The bidder's price for base monthly services, unit pricing, and specialized extra-cost services.

- m) The bidder's incentives in the form of service credits, rebates, discounts, event sponsorships, in-kind services or other value-added voluntary offerings.

Among other submittals listed in B.14, your proposal should include a transmittal letter that outlines your statement of interest, qualifications, project approach, related experience, biographies of key management and supervisory staff that would be responsible for this contract, your existing service contracts and any new contracts that you are pursuing that could impact your capacity to excel in the performance of the ACC's contract, and any other information that would be helpful for the Evaluation Team to know.

B.04 Best and Final Offer

The Evaluation Team will make its recommendations to the Board of Directors in accordance with the proposed timeline and criteria referenced herein. Therefore, the contents of your Bid Response, including pricing, should represent your "Best and Final Offer" to the ACC.

B.05 Proposal Withdrawals and Amendments

A bidder may at any time prior to the award of the project notify the ACC that they wish to withdraw. As a courtesy to the ACC, should a Bidder wish to withdraw, please notify the ACC as soon as possible.

B.06 Reference Properties

The ACC would like to receive at least three (3) reference properties that highlight the quality and breadth of landscaping and turf management experience. No less than two (2) of these references should be large-scale, high quality communities with traits similar to Anthem. All reference sites should have been clients of the bidder for no less than 18 months, so that the ACC can evaluate a full year of service to each reference site. Bidders may provide multiple references, since we will presume that not every community or reference site will have the full array of parks, sports fields and landscaping diversity as does Anthem. Please provide all relevant contact information for each referral site.

B.07 Preparation and Submission of Bid Response

All costs incurred for time and materials for the bidding organization to respond to this document are for the bidder's account exclusively.

B.08 Right to Copy and Distribute Internally

All bidders, by virtue of submitting a bid to the ACC, herein grant the ACC the right to make copies (electronic and hard copy) of their bid proposal to allow for internal review and discussion. The ACC Board of Directors will approve the selected Contractor in an open public meeting and all or key elements of your proposal will be a matter of public record, as will the final signed contract that is authorized by the Board.

B.09 Duration of Agreement

The INITIAL term of the Agreement covered in the RFP is two (2) years, from January 1, 2020 through December 31, 2021. The Agreement also allows for up to four (4) additional two-year renewals/extensions of this Agreement, based upon both parties reaching mutual agreement on the terms and conditions of such renewals/extensions well in advance of the start of the new term (e.g., by September 1), and upon such extensions being approved by the ACC Board of Directors.

B.10 Bidder Business Ethics

It is the policy of the ACC to conduct itself and its business in accordance with the community's values and ethics, which are personified in the Anthem Way Values. This includes acting and conducting business to promote fairness, impartiality, integrity, mutual courtesy and respect, professionalism, community pride, and abiding by all applicable laws.

Bidders who become business partners with the ACC should also observe the ethical standards noted above, and described in our Anthem Way Values. Additionally, business partners with the ACC agree to:

- a) Never intentionally offer or provide sub-standard or inferior products or services in the fulfillment of a contractual obligation;
- b) Interact with ACC employees, agents, representatives, volunteers, community property owners and/or other business partners in a manner that is mutually respectful, professional, truthful, and courteous;
- c) Perform self audits to verify that its pricing and invoicing are fair and accurate and reflective of the signed agreement;
- d) Never exert any effort to influence any ACC employee, agent, volunteer or representative to breach any standard of ethical conduct.

B.11 Warranty of Work

The selected Contractor warrants that all services to be performed within the scope of this Agreement will be performed in a professional, good workmanlike manner to the satisfaction of the ACC in its reasonable determination. If services or products are of a substandard or unsatisfactory manner (as determined by the ACC in its reasonable opinion) the Contractor will make all repairs, replacements, service repeats, etc. at no additional charge to the ACC.

Additionally, when the Contractor provides products and materials within the scope of this Agreement, the Contractor further agrees that such products and materials will be new, unused, of reasonably current manufacturing date, not expired or close to an expiration date, and be free of defects in its materials and workmanship.

When the Contractor uses materials or products manufactured by a third party, the Contractor agrees that such products and materials will be used or applied in accordance with the manufacturer's specifications and that manufacturer's warranty (if so applicable) will be in-force and that the Contractor will represent the ACC when dealing with a product or materials failure where the parties look to the underlying manufacturer for resolution.

B.12 Pricing Remains Consistent for Each Contract Period

For the initial two-year contract and any agreed upon renewal/extensions, the prices and incentives that the Contractor quotes, and that are mutually agreed upon by the Contractor and the ACC for that contract period, shall remain unchanged regardless of fluctuations in the general marketplace, changes in laws, fuel surcharges, tariffs, mandatory minimum wages or other factors which could otherwise impact services or pricing.

B.13 Additional Conditions

The ACC strongly advises bidders to carefully read the contractual requirements contained in Sections 7, 8, 9, and 10, among other sections.

B.14 Bidder's Checklist – Your Submitted Bid Should Include:

- Exhibit A (completed and signed)
- Exhibit B (completed and signed)
- Bidder's signed W9
- Bidder's insurance verifications and Certificates of Insurance
- Bidder's Statement of Relevant Safety History
- Bidder's example of a weekly Status Report, Annual Work Schedule and other scheduling and planning tools
- Bidder's proposed daily minimum deployment of labor to provide base monthly services
- Bidder's confidential financial documents to assure financial stability (2017 and 2018)
- Bidder's list of references with contact information
- Bidder's list of proposed key personnel and biographies
- Bidder's list of licenses and certifications
- Bidder's list of subcontractors to be used (if applicable) with their licenses and certifications
- Bidder's list of all equipment to be used on this account, and equipment to be stationed at the ACC Maintenance Yard
- Bidders signed Transmittal Letter summarizing their proposal and highlighting appropriate specifics

anthem

community council



LANDSCAPE MAINTENANCE SERVICES AGREEMENT

Landscape Maintenance Services Agreement (Draft)

This Landscape Maintenance Services Agreement (hereinafter the “Agreement”) is effective January 1, 2020 by and between the Anthem Community Council, Inc., (“ACC”) and a Third Party Professional Landscaping Contractor (hereinafter “Contractor” and/or “You” and/or “Your” and/or “Bidder”).

RECITALS

WHEREAS, the ACC is responsible for the care and maintenance of landscaping on ACC-owned land and other areas pursuant to special agreements and the ACC desires to contract for landscape maintenance services and related expertise;

WHEREAS, Contractor has submitted a proposal and has affirmed its willingness, ability, capacity and qualifications to provide the desired landscape maintenance services;

WHEREAS, both the ACC and Contractor recognize, understand, and agree that the consistent and proactive quality of landscape maintenance services are critical components to Anthem’s aesthetic appeal and overall quality of life;

NOW THEREFORE, in consideration of the mutual terms and conditions set forth below, the parties hereby agree as follows:

Section 01 AGREEMENTS BETWEEN THE PARTIES

This Agreement consists of the terms and conditions listed below plus the following Exhibits, which are incorporated into this Agreement and made an important part of this Agreement:

Exhibit A – Contractor’s Proposed Fees and Pricing

Exhibit B – Contractor’s Offers of Financial and Operational Incentives

Exhibit C – Reference Photos, Graphics and Aerials of Landscape Service Areas

Exhibit D – Commercial Landscape Easements, Maps and Legal Descriptions

Section 02 TERM OF AGREEMENT

This initial Agreement shall be for two (2) calendar years, beginning January 1, 2020 and concluding on December 31, 2021.

2.01 Optional Agreement Extensions

The ACC shall have the right to authorize up to four (4) two calendar-year extensions to this Agreement, each extension beginning on January 1 of the respective extension years (2022, 2024, 2026, 2028). Such extensions will require the formal approval of the ACC Board of Directors. Such extensions will additionally require the written agreement, in advance of Board authorization, of both Contractor and ACC as to any changes to terms or scope of services, manpower, pricing, key performance indicators,

financial incentives or other components. It is the intent of both parties to finalize any extension negotiations and authorizations by September 1 prior to the start of each extension period.

2.02 No Automatic Renewal

The parties agree that there is no automatic extension or renewal of this Agreement and that the process in 2.01 shall guide any and all future extensions, if so mutually agreed.

2.03 Termination for Convenience

Either party may terminate this Agreement or any approved extension to this Agreement at any time for convenience by providing to the other party 180 calendar days' notice in advance of the specified termination date. Such notice must be provided in writing and delivered in person, by acknowledged email exchange, or by Certified Mail.

In the event of a termination for convenience, the parties agree to continue to work professionally and positively with each other to ensure a smooth transition to a successor Landscape Maintenance Contractor. Additionally, the ACC agrees to pay all bona fide and approved invoices from Contractor through the date of termination, subject to acceptable quality and workmanship as determined by the ACC.

2.04 Termination for Cause

The ACC may terminate this Agreement or any part of this Agreement, or any approved extension thereof, for Cause if Contractor fails to comply with the terms and conditions of this Agreement, inclusive of attached Exhibits, in accordance with the process outlined as follows:

- a) The ACC will, either in person or by email, notify Contractor of area(s) of the Agreement where there is, in the sole opinion of the ACC, a failure to comply with the terms, conditions or quality expectations on which this Agreement is based upon.
- b) Upon receipt of such notification, Contractor may, if necessary or appropriate, discuss the performance failures with ACC representatives, but shall have either fourteen (14) or thirty (30) days to cure such failure(s) to the sole satisfaction of the ACC. The length of the cure period shall be determined by the severity of the failure(s) at the sole discretion of the ACC, the time reasonably needed to cure the failure(s), and the possible impact of resident health and safety as a by-product of the failure(s). The parties agree to work together in good faith to timely and properly cure any such failure(s) and Contractor further agrees that upon the curing of such failure(s), that it will make appropriate changes in its daily management, work schedules, Quality Control (QC) efforts and/or staffing to prevent repeat occurrences of such cured failure(s).
- c) In the event that a failure(s) cannot be cured to the satisfaction of the ACC, the ACC may issue a formal notice of termination to Contractor providing no less than 120 days of notice prior to the final termination date. Such written notice will be delivered in person, by acknowledged email exchange, or by Certified Mail.
- d) While the parties anticipate making their best efforts to avoid a Termination for Cause, should such a termination notice be issued, the parties agree to continue to work together in good faith and professionally through the date of termination so as to ensure a smooth and professional transition to another provider Landscape Maintenance Contractor.

- e) In the event of such a termination, the ACC agrees that it shall pay all bona fide and approved invoices of Contractor for approved services through the date of termination, subject to acceptable quality and workmanship as determined by the ACC.
- f) In the event of a partial failure to comply or to provide required services, the ACC as the right to rectify said failure by hiring another Contractor, and deducting this cost from the Contractor's monthly invoice.

2.05 Termination as a Consequence of a Change in Ownership

In the event that Contractor either merges with another entity (regardless of whether Contractor is the acquiring party or the acquired party), this Agreement shall remain unchanged and not subject to cancellation except for the conditions noted in sections 2.03 and 2.04 above. An acquiring party may not terminate this Agreement as a consequence of a change in ownership and should Contractor be acquired; it will so advise the acquiring party prior to closure of the acquisition.

2.06 Natural Conclusion of the Agreement

In the event that Contractor or the ACC does not desire to trigger an approved extension period for this Agreement, and thus the Agreement will terminate naturally, the parties agree that sixty (60) days prior to such natural termination, the parties will review the status of all in-process work and projects and each party agrees to complete and/or rectify any aspect of such a review prior to the natural end of the Agreement. The ACC agrees to not withhold any payments due on approved services rendered and to pay all such invoices timely, subject to acceptable quality and workmanship as determined by the ACC. Contractor agrees to rectify any landscaping maintenance or turf management issue that is unacceptable to the ACC during this period and to complete all such work in a timely and professional manner.

Section 03 ADMINISTRATION

This Agreement contemplates that there will be identified representative positions held by both Contractor and ACC to properly administer this Agreement, and that such contact information will be kept current at all times.

3.01 ACC Administration

The ACC anticipates that a person identified as a "Contract Administrator" shall handle the day-to-day oversight of this Agreement. This position shall speak with the authority of the ACC and shall be authorized to professionally interact with Contractor as to areas of interest or concern from the perspective of the ACC. This includes, but is not limited to: daily interaction of work plans, work schedules, staffing, areas of priority, areas requiring remediation, upcoming project work, cooperative scheduling with Contractor and any other aspect of the relationship that forms an essential component of the daily working relationship

Additionally, each party shall provide an ongoing record of the individuals (names, titles and contact information) with the authority to represent them in matters pertaining to this Agreement.

3.02 Contractor Administration

This Agreement contemplates that the Contractor will provide the following levels of oversight, management and administration:

- a) *Account Manager*. An on-site, dedicated full time Account Manager who will act as the single main point of contact between the parties, and who has day-to-day responsibility for delivering high quality, professional and timely landscape maintenance services. The Account Manager will be responsible to provide a weekly written status/quality assurance report to the ACC, and will be responsible to attend bi-weekly meetings with ACC management to discuss any issue of mutual interest. The Account Manager will also be responsible for developing an annual work plan and staffing; a pro-active annual work schedule that incorporates ACC events and programs so as to eliminate any conflicts; scheduling appropriate daily manpower requirements; and responding to valid resident concerns as to a landscape or turf issue.
- b) *Quality Control*. Designated personnel will perform Quality Control/QC functions to proactively address any quality or service deficiencies in a timely manner.
- c) *Regional Manager*. This position will act as a point of referral and expertise and who takes active ownership for the Contractor's overall performance and supervision of the Account Manager, and in resolving or trouble shooting higher level issues or concerns. The Regional Manager shall attend quarterly meetings with ACC, along with the Account Manager.
- d) *Senior Management*. Will agree to meet with ACC Management on an as-needed basis, but no less than twice per year, to discuss any aspect of the Agreement or any landscape maintenance issues or concerns.

3.03 Impact of Other Contracts on Contractor Administration

The ACC recognizes that as an Independent Contractor, the Contractor can and will solicit business outside of the Agreement with the ACC. Potentially this could include a Service Agreement with another Anthem-based homeowners' association.

The parties understand and agree that the ACC has no formal role in how the Contractor performs services to another contracted party. However, the Contractor must recognize and agree that its service commitments to other entities must not result in any deterioration of services or reduction in manpower or equipment detrimental to the ACC's service Agreement.

3.04 Periodic Meetings and Exchange of Information

The ACC desires the following minimum level of information exchange, both in writing and in person, as an essential part of this Agreement, including:

- a) Weekly written Status Reports, which should include, at a minimum the following information:
 - 1) Work performed in the prior week, which includes the daily number of workers on the property;
 - 2) Work anticipated to be performed in the current week;
 - 3) Work anticipated to be performed in the three (3) weeks following the current week;
 - 4) Upon agreement of what Key Performance Indicators should be within the Agreement, the weekly Status Reports should include reference to ongoing success in meeting those agreed-upon performance measurements;
 - 5) Challenges to landscape maintenance work as a function of weather or other external or internal factors, along with recommendations and a timeline as to how Contractor will overcome such challenges;

- 6) Notifications of concerns as observed by Contractor as to impending landscape or turf conditions so that both parties can pre-emptively address such concerns;
 - 7) Anticipated special projects that will be upcoming in the next eight weeks, such as, for example, “Aeration of Area X,” “Overseeding of Area Y,” or “Pre-emergent or fertilizer applications in Area Z”;
 - 8) The parties agree to work cooperatively to develop a “living calendar” wherein advance planning of issues/events within the community are intersected with landscaping timelines, and the weekly Status Report will incorporate upcoming references as part of the weekly report; and
 - 9) Recommendations for property enhancements as noted by Contractor.
- b) Bi-weekly in-person meetings to discuss any issues relevant to this Agreement and anticipated workload and scope of services. These meetings should include, but not be limited to:
 - 1) Discussion to identify and resolve any issues or concerns;
 - 2) Ability to concur on upcoming work plans and agendas;
 - 3) Discussion in regards to QC issues, remediation issues, anticipated weather issues; and
 - 4) Continuing dialogue about overall performance issues, key performance indicators, and areas where the ACC would like Contractor to emphasize, based upon anticipated upcoming community events or issues.
 - c) A representative of Contractor will be in attendance at all regularly scheduled (monthly) open ACC Board Meetings who is capable of accurately responding to all questions or comments raised relative to community landscaping services.
 - d) A representative of Contractor will provide a quarterly update to the ACC Board of Directors at a regularly scheduled Board Meeting, as to past quarterly progress and accomplishments and go-forward quarterly projects and priority areas of attention.
 - e) Daily meetings or interaction with the ACC representative functioning as the Contract Administrator and/or designee.
 - f) Periodic meetings as noted in Section 3.02
 - g) Coordinated communications with the ACC staff in order to inform the Anthem public as to upcoming projects, potential turf closures, or any other issue or service that Contractor will be performing that creates any type of noticeable impact on the public.
 - h) Coordinated public communications with the ACC or individual resident communications to address bona fide complaints or unresolved issues, which would be promptly addressed in a professional and courteous manner.
 - i) Coordinated public communications with the ACC on general landscaping, water conservation, overseeding or any other area specific to landscaping which would be helpful and beneficial to the Anthem population.
 - j) Additional reporting, as reasonably requested. This could include, but not be limited to: (a) reports or lists identifying the specifics and locations all meters, controllers, backflow devices; (b) reports on usage of water for specific meters or in specific locations; or (c) other reports that speak to services performed by Contractor or in the general oversight of Contractor.

3.05 Interaction with Anthem Property Owners

When Anthem residents and/or property owners bring forward inquiries or concerns regarding landscaping issues, the ACC will attempt to have its designee be the initial primary party to field the interaction with the resident/property owner, and as necessary, will provide such information directly to an appropriate Contractor representative. However, there will be occasions when the Contractor will directly and personally interact with the property owner, and in such situations, the expectation is that Contractor will conduct such interaction in a prompt, courteous and professional manner with a genuine interest to resolve all reasonable concerns of the property owner and report outcomes to the ACC.

3.06 Maintaining and Retaining Documentation as to Work Performed

The ACC anticipates and expects that Contractor will develop and retain schedules and “checklists” of work performed on the ACC account. While such schedules and documentation validate Contractor performance under this Agreement, these are also useful documents if third parties claim that the ACC or Contractor acted in an alleged negligent fashion as to maintenance responsibilities. As such, the Contractor agrees to retain such documents for the life of the Agreement, and for two (2) years after, to show full and complete performance under this Agreement.

Section 04 COMPLIANCE WITH ARIZONA AND UNITED STATES LAWS

This Agreement contemplates that Contractor will conduct all of its operations, hiring and staffing, and all other aspects of its business relative to the ACC account in full accordance with all applicable Federal, State and local laws. This Agreement also contemplates that Contractor will properly license and register all motorized equipment; carry appropriate insurances naming the ACC as an additional insured and provide appropriate Certificates of Insurance to the ACC; require all of its employees and subcontractors to conduct their services in accordance with reasonable best practices to ensure the safety of all such individuals; and maintain in-force registrations, licenses, certifications and permits for individuals performing specialized operations or dealing with chemicals or motorized equipment.

Additionally, Contractor agrees to:

- a) Comply with all applicable laws regarding immigration, E-Verify requirements; in-force work visas where applicable, and all other prudent and responsible steps necessary to ensure that all employees and subcontractors have a legal right to work in the United States and in Arizona.
- b) Comply with all applicable laws regarding non-discrimination of any person as a result of race, age, sex, creed, gender, color, religion, national origin and/or any other protected characteristics as defined in current laws.
- c) Comply with all applicable laws regarding wages, wage rates, compensation, and hours of work.
- d) Comply with all applicable laws regarding proper use of chemicals, proper disposal techniques and methods and all appropriate environmental laws.
- e) Comply with all applicable laws ensuring that all employees handling chemicals, motorized vehicles or equipment, or specialized tasks are properly licensed, certified or carry other appropriate permissions to perform such services, as applicable.
- f) When using or applying chemicals, fertilizers and other products, Contractor shall comply with all applicable laws and ensure that such application is performed in accordance with the manufacturers’ instructions, including mix ratios and applicable coverage areas. Additionally,

Contractor agrees to maintain appropriate OSHA Safety Data Sheets (SDSs) and have them locally available.

- g) Ensure that it uses all “best nurseryman practices,”
- h) Ensure that it properly trains and educates its employees and subcontractors on all relevant safety practices and issues.
- i) Ensure that it conducts its business operations in a manner that it pays all taxes, charges and fees necessary, and in compliance with the lawful conduct of its businesses.
- j) Ensure that it is able to demonstrate or show appropriate documentation supporting the above listed requirements within Section 04, whereas a failure to do so would constitute a material breach of this Agreement.

4.01 Independent Contractor

As noted throughout this Agreement, Contractor agrees that it is an Independent Contractor and not an employee or agent of the ACC, and that it will conduct its business operations and services relative to this Agreement as an Independent Contractor.

As an Independent Contractor, the Contractor agrees that it will provide all supervision, labor, training, skills, expertise, safety education, materials, tools, know-how, equipment, transportation and every other characteristic necessary for it to perform the services and responsibilities included and contemplated within this Agreement.

Section 05 SCOPE OF SERVICES TO BE RENDERED UNDER THIS AGREEMENT

This Agreement contemplates that the following listings of services and work tasks, inclusive of all labor, materials, tools, equipment, supplies, chemicals, seed, transportation and other resources will be included within the BASE MONTHLY SERVICES FEE unless specifically identified as an optional or extra-cost service, material, etc.

5.01 Quality Standard in the Sole Reasonable Discretion of the ACC

The ACC and Contractor agree, that the expectation of quality and professional services within landscaping and turf management is somewhat subjective, e.g., “in the eye of the beholder.” For quality assessments that are largely subjective, such as the visual appearance of landscaping and the quality and completeness of work performed, the qualitative assessment of the ACC shall be the prevailing determination.

5.02 Definitions of Selected Key Terms Used in This Agreement

The ACC recognizes that certain work areas are defined by terms that could be considered ambiguous. While it may be difficult to fully and formally define such terms, Section 5.02 attempts to add clarification to such terms.

Boutique: The general expectation of the ACC is that there are work projects that are daily, weekly, monthly and “as necessary” as part of the base contractual relationship, and that the normal scope of work incorporates a meticulous attention to detail and an enhanced level of inspection and care in performing daily or periodic services. As used herein, a “boutique” level of service infers an even more frequent meticulous attention to detail, and an enhanced level of

inspection and care in performing daily or periodic services, whether such services are mowing, edging, fertilization, weed control, turf maintenance, arbor care or any services provided within the scope of this Agreement. The ACC recognizes that Contractor should incorporate such an enhanced level of service(s) within their proposed Base Monthly Services Fee. For purposes of example, areas within Anthem that should be subject to a “boutique” level of service would include: Paseo Townhomes; Parkside neighborhood entry zones owned by the ACC; Community Park, including the Anthem Veterans Memorial area and sports fields; Civic Building landscaping; Community Center exterior landscaping, including the tennis and pickleball courts; Liberty Bell Park, Opportunity Way Park and the Dog Park.

Scenic Corridor: As used herein, this term refers to areas that have high visibility to pedestrians and automotive traffic, where such visibility reinforces the perception that Anthem is a special community that places extra attention and care to preserve and enhance the natural beauty of its landscaped environment. For purposes of example, areas within Anthem and the ACC’s landscape responsibilities that are classified as “scenic corridors” would include: all roadsides and medians for the length of Anthem Way, Meridian Drive, Gavilan Peak Parkway, Daisy Mountain Drive, Memorial Drive, Hastings Way, Whitman Drive, Freedom Way, and 43rd Drive.

High Visibility Areas: As used herein, this term is identical to “Scenic Corridor.”

5.03 Proactive Activities Necessary to Ensure Quality and Timely Delivery of Services

Independent of, and in advance of the delivery of all services referenced in this Agreement, Contractor recognizes that it will perform a careful and thorough review of specific landscape areas that are considered as “host” locations for ACC and community special events, so that all parties can be assured that the hosting areas will provide a well-groomed, professional and attractive location for such events.. Such a proactive review and any corrective action required prior to the event must be coordinated well in advance of designated special events in conjunction with the ACC’s Special Events Director or designee. This will include designated events listed and included within the annual ACC special events calendar, of which a few are listed below as examples:

- a) Anthem Days (March) – Community Park
- b) Music in May (all May Fridays) – Community Park/Amphitheater Area
- c) Memorial Day Ceremony (May) – Community Park/Veterans Memorial
- d) Independence Day Celebration (July 3) – Community Park
- e) Autumnfest (October) – Community Park
- f) Veterans Day Ceremony (November) – Community Park/Veterans Memorial
- g) Veterans Day Parade Route (November) – Community Park, Anthem Way and Gavilan Peak
- h) Go Green (semi-annually in spring/fall) – Community Park
- i) All other events featuring the Anthem Veterans Memorial

Additionally, the ACC’s expectation is that Contractor will invest in proactive services and processes to resolve normally recurring service issues as an integral part of the overall Base Monthly Services Fee. These would include, but not be limited to:

- a) Contractor will invest in processes and Quality Control operations so that the ACC and community members do not have to function as “defacto Quality Control inspectors,” and that the volume of landscaping concerns will be infrequent and minimal in scope.
- b) Working with the ACC as a partner to develop additional lines of communication and reporting so that concerns and/or complaints are handled and resolved in a reasonably timely and efficient manner.
- c) Working with the ACC as a partner to develop additional lines of communication and reporting (beyond the weekly Status Report) so that the ACC is aware of material QC issues that the Contractor is or will be addressing, so that the ACC can stay apprised of such issues.

5.04 Scope of Base Services – Developing an Annual Schedule of Services

Both the Contractor and the ACC will work together to develop a detailed annual schedule that will incorporate scheduled ACC events and activities that could impact landscaping and turf management services as noted in previous section, as well as incorporating the Contractor’s recommendations as to the timing of specific landscape maintenance and turf management renovation services (such as, for example, overseeding times and locations, application of pre-emergent, application of post-emergent, tree pruning, sod replacement, etc.)

This Annual Schedule shall:

- a) Once developed in draft form, be approved by the Contract Administrator.
- b) Be updated at least quarterly.
- c) Be modified, as appropriate, to add in any special projects of a landscaping or turf management nature and reviewed against the Annual Schedule so that scheduled services are not negatively impacted.

Additionally, the Annual Schedule shall be developed in concert with a Contractor-initiated detailed Zone Map of all ACC property, which will require any level of landscaping maintenance services, so that the Annual Schedule runs in concert with weekly “normal” scheduled Contractor services, and is updated concurrent to any changes made to the detailed Zone Maps. Said schedules and updates shall be routinely shared with the Contract Administrator and other designated staff.

5.05 Scope of Base Services – Trail Systems

The ACC has approximately 15 miles of multi-use trails within Anthem, comprised of concrete paths and decomposed or stabilized granite. Many paths have lighting, and the sides of paths have granite or DG borders and substantial shrubbery.

Standard base services in maintaining these trails include:

- a) Weekly inspection of the trail systems to identify and remove any man-made waste or debris, including tree litter (seeds/beans/pods/leaves).
- b) Weekly inspection to identify and repair any clearly visible surface erosion, particularly after any large rainstorms or significant weather event.
- c) Pruning on a four-week cycle of surrounding plants and shrubs encroaching on the trails themselves, or hampering lighting fixtures or signs, or hampering access or use of the trails, or in general detracting from an attractive trail experience.

- d) Appropriate preventive weed treatments and post-emergent treatments, as dictated by approved schedules and repeated as often as necessary.
- e) Visual inspection of the entire trail system at least monthly to identify areas needing landscaping maintenance and timely scheduling of such remediation work.
- f) Tasks in 5.05 include the trail system itself and approximately five feet on each side of the trail.
- g) Timely notification to the Contract Administrator of any structural damage or issues of significance that are outside of the base services that Contractor performs, so that the ACC can timely rectify such issues. Any conditions that create a safety hazard to trail users must be immediately communicated to the Contract Administrator. The multi-use trail known as the Maricopa Trail must be periodically maintained to eliminate ruts and other unsafe conditions, and special consideration should be given to ensuring that trees immediately adjacent to the Trail are pruned at a height to be safe for equestrian users.

5.06 Scope of Base Services – Roadways & Medians

All roadside areas owned by the ACC are subject to this Agreement, and considered “scenic corridors” (refer to Section 5.02). In addition, roadsides and medians on the east side of I-17 that are within the County right-of way are maintained by the ACC through an agreement with Maricopa County (C-64-17-013-M-01). This County agreement reads as follows and by extension, is incorporated into the Contractor’s scope of work under this RFP and Agreement:

“The Council (ACC) shall assume maintenance responsibility for the following items within the County right-of-way: Landscaping, including trees and plants, decorative landscape rock, irrigation systems, landscaping irrigation power and control systems. Installation or replacement of any of the above features within the sight triangles at all intersections and that exceed twenty-four (24) inches in height shall be determined in collaboration with the County. The dimensions of the sight triangles are to be determined in compliance with the procedures identified in Chapter 9 of the Maricopa County Department of Transportation Roadway Design Manual on landscaping, and as shall be provided by the County.”

The Contractor shall be responsible for obtaining permits required by Maricopa County to perform work in the County right-of-way.

Additionally, the ACC is responsible for easements abutting I-17 by virtue of the community’s Governing Documents. This includes an area on the west side of I-17 from approximately Anthem Way to an alignment with the end of N. 41st Drive.

The landscape requirements for all areas of roadways and medians follow all requirements as noted within this entire Section 05.

Standard base services in maintaining medians and sides of roadways include:

- a) Weekly inspection of all major and secondary roadways and medians to identify and remove any debris, including tree litter (seeds/beans/pods/leaves).
- b) Weekly inspection to repair any minor surface erosion, particularly after any large rainstorms or weather event. Pruning on a four-week cycle (or as agreed upon by the Contract Administrator) of

surrounding plants and shrubs which are within the medians and sides of roadways to consistently maintain a “groomed” and manicured landscape appearance, including when such plants and shrubs are encroaching on the roadways themselves, or hampering lighting units or signs in the medians and at roadside, hampering access or convenient use of roadside sidewalks, interfering with lines of sight or in general detracting from an attractive walking or driving experience.

- c) Appropriate preventive weed treatments and post-emergent treatments, as dictated by an approved schedule and repeated as often as required by visual or existing conditions.
- d) Repair and recovering of any exposed irrigation or water lines on roadsides or medians.

5.07 Scope of Base Services – Arbor Management

Within a mutually-agreed to date after Agreement inception, Contractor shall develop and deliver an electronic copy of a GIS-based tree inventory of all ACC trees to the Contract Administrator, and under this Agreement, will continue to maintain such an inventory. The inventory should include, at a minimum, the location, species, size, health and other attributes of the trees. The inventory document can and should also serve as a “checklist” against which periodic arbor care is performed or is scheduled to be performed.

Arbor management services shall include, but not be limited to:

- a) Providing an initial updated GIS-based tree inventory to the Contract Administrator and provide annual updates to this inventory.
- b) Based on this inventory, on a semi-annual basis, Contractor will advise the Contract Administrator of (1) dead trees requiring removal and replacement; (2) dead trees that are not recommended to be replaced; (3) different species of trees that should be planted within the upcoming planting season; (4) trees which should receiving major pruning above ten (10) feet in height.
- c) Conduct pruning of up to ten (10) feet in height on a four-week maintenance cycle to properly shape trees and to keep sidewalks, pathways, trails and streets clear from low hanging branches or branches which may impede visibility or safe access. Such pruning will be done in a manner that allows for a natural form and appearance as would be appropriate for each particular specie of tree.
 - 1) Contractor and the Contract Administrator shall work together to identify those trees which are subject to seasonal pruning under this Section 5.07 c)
 - 2) Pruning shall consist, at a minimum, with standards adopted by the ISA within ANSI A300-2001 Pruning and ANSI Z133.1-2000 which will include:
 - i. Crown cleaning (removal of dead, dying, diseased cross-branches or weakly attached branches).
 - ii. Crown thinning (selective removal of branches to reduce weight and increase air and light penetration, to not exceed 30% of the total volume of canopy).
 - iii. Crown reduction (structural pruning to remove leader or lateral branches using proper heading cuts to reduce size).
 - iv. Crown restoration (removal of improperly pruned or damaged branches to restore a more natural shape).
- d) Remove all tree “suckers” on a four-week maintenance cycle.

- e) During inspections, identify any tree roots that are impacting sidewalks or walkways and which would present an eventual walking or safety hazard and immediately bring this information to the attention of the Contract Administrator. The ACC's expectation is that inspections will be part of the overall monthly quality control services that Contractor will provide as within the general scope of services.
- f) Maintain, in good condition, stakes and appropriate support systems on existing trees.
- g) Verify that watering and irrigation systems are properly operating so that all trees have adequate soil moisture at the root zone and only as frequently as required to maintain healthy growth.
- h) Supply and apply granular fertilizer as per manufacturer instructions and/or regulatory requirements, as dictated by mutually agreed upon work schedules to promote and achieve healthy grow and to address any noticed or anticipated nutrient deficiencies.
- i) As noted elsewhere in this Agreement, Arbor Care above 10-feet in height is not included within the Base Monthly Services Fee.

5.08 Scope of Base Services – Shrub, Plant and Bed Management

Respective of Shrub, Plant and Bed management within the Base Monthly Services Fee, Contractor will:

- a) Conduct regular seasonal pruning, based on an agreed work schedule of vegetation, to maintain the natural form of the plant/shrub and to maintain growth within space limitations. Pruning shall be done according to the flowering cycle of the shrubs, and in the spring, as required, to remove frost damage. Plants/shrubs shall not be allowed to grow over sidewalks, walkways, median boundaries and road curbs. Plant material shall be monitored, and pruned on a regular schedule, to reduce the incidence that traffic sight lines and signs may become obstructed. These include, but are not limited to: intersection design, utility box or signage locations, landscape design, and plant material or boulder selection and placements. Removal of plant material related to maintaining proper sight distances shall be performed only upon written request and approval of the Contract Administrator.
- b) Conduct "hard pruning" on a seasonal basis, or more frequently if visually noted, as evidenced by a pruning schedule for each species of plant to be submitted to the Contract Administrator. This schedule shall define the time that Contractor will prune/trim each species of plant to maximize blooms and the aesthetic appearance of the plants.
- c) Control and eliminate weeds in all groundcover areas and sidewalks (on a weekly basis) with the application of post and pre-emergent herbicides and/or manual removal. Weed areas and infestations should be treated or manually removed so that the weeds do not exceed an 8-inch overall width and/or a 3-inch overall height. Contractor shall comply with all Arizona and U.S. Government regulations for the proper application of herbicides and any other chemicals. Additionally, Contractor will supply and apply granular fertilizer to plant areas on a schedule dictated by mutual agreement and as seasonally required to promote and sustain healthy plant growth and maintenance in accordance with all Arizona and U.S. regulatory standards and manufacturers' instructions, including application guidelines and mix ratios.
- d) The ACC's expectation is that if Contractor is conducting regular inspections of the zones that are receiving landscaping and turf services, that such inspections would identify shrubs or plants or flowers which may be dead or unhealthy. Such an inspection should result in proactive proposals

for removal, replacement or plant repair, either as part of the regular monthly base service, or as an additional proposal, dependent on the circumstances.

- e) Independent of other subsections in Section 5.08, the ACC's expectation is that Contractor will perform a daily inspection of the Anthem Veterans Memorial area within the Community Park, and proactively take appropriate action for landscaping and turf services to retain this monument as a high-visibility and key Anthem asset, and as a tribute to the men and women who have given their time and lives in service to our country.
- f) Regarding flowers and plants within various areas of the Community Park, Liberty Bell Park, Opportunity Way Park, Civic Building and the entrance areas of the Community Center, Contractor should evaluate and recommend appropriate seasonal plantings that can add color to the overall landscaping areas in question.
- g) Contractor will inspect beds and granite areas weekly to ensure that the granite is contained in its designated bedding areas, and drip lines are fully operational and free flowing. Contractor will report conditions that require further attention (e.g., dead plants, granite replacement), and perform raking and cleaning in high traffic areas or where incidental amounts of erosion have occurred on a regular four-week cycle for most areas.
- h) Contractor will use a shorter and more frequent inspection and correction cycle for the main entrance areas to the Civic Building, Community Center, the Dog Park, and Community Park, and the beds and granite areas at Adventure Playground, Discovery Playground, Skate Park and at the Anthem Veterans Memorial. The timing shall be determined by seasonality and visual observation.
- i) Contractor will use a soil probe and other appropriate tools and equipment to monitor and maintain proper soil moisture levels in the root areas on a regular basis. The frequency of watering shall be dictated by plant needs and water conservation interests, and will be on weekly schedule.
- j) Contractor shall maintain constant attention for detecting pest invasion and infestation of shrubs and ground cover areas, and take proper control and eradication measures, with prior notification to the Contract Administrator.

5.09 Scope of Base Services – Cleaning and Removal of Debris and Weeds and Pre-Emergent and Post-Emergent Treatment for Weeds in all Anthem areas

In addition to the cleaning and removal efforts for debris and weeds within the Base Monthly Services Fee, and respective of treatment for weeds via pre-emergent and post-emergent treatment services, Contractor will also, within the Base Monthly Services Fee:

- a) Develop detailed Anthem spray maps for effective and efficient pre-emergent treatment of weeds and post-emergent treatment of weeds.
- b) During periods of time when weed growth would be anticipated, Contractor will provide additional community-wide inspection services to identify parcels where weed growth will require treatment or additional treatment, and will schedule such treatment(s) in a proactive and timely manner.
- c) Remove man-made trash litter and plant debris from all landscaped areas as part of the anticipated weekly cycle/zone work or when seen in high visibility/traffic areas.
- d) Sweep or blow all pickleball courts, tennis courts, Adventure playground, Opportunity Way Park playground, Discovery playground and Anthem Veterans Memorial on a daily basis.

- e) Sweep or blow all walkways, curbs, gutters and driveways of landscaping debris, soil and granite on a weekly basis.
- f) Control grass and weeds growing in the cracks of curbing, sidewalks, and asphalt areas adjacent to managed landscape areas on a weekly basis. Such control and elimination can be performed by either/or/both chemical treatments or hand removal.
- g) During mowing, Contractor will collect or blow and dispose of all mowed grass clippings on sidewalks and walkways promptly upon completion of each mowing service.
- h) Weed control and elimination is a critical component of this Agreement. The ACC is reliant upon Contractor's knowledge of how and when weeds will grow and spread on a seasonal basis, and the ACC is reliant upon Contractor's knowledge as to the most appropriate treatments to control and eliminate weed growth in all landscaped areas of the community. The expectation of the ACC is that Contractor will strategically anticipate weed growth and use appropriate pre- and post-emergent chemicals to control and eliminate a weed population, and will do so as appropriate to preserve the manicured and quality look and presentation of all landscaped areas, including roadsides, medians, buffer areas, sports fields, turf areas, areas adjacent to community amenities, trail areas and all other areas covered under this Agreement.
- i) Tree debris control is another critical component of this Agreement. The ACC is reliant upon Contractor's knowledge of how and when trees will drop debris on a seasonal basis, and the ACC is reliant upon Contractor's knowledge as to the most appropriate treatments to maintain these landscaped areas and timely dispose of tree debris.
- j) Remove animal feces from all landscaped areas, including sidewalks immediately as observed during the normal execution of Contractor duties and services.
- k) At the conclusion of each Contractor service, Contractor staff should remove all landscape debris and natural debris, in a safe and environmentally appropriate manner.

5.10 Scope of Base Services – Brush Clearance (Block Rear Walls & View Fences)

Contractor agrees to include, as part of the Base Monthly Services Fee, the clearing of 30,000 linear feet at a width of five (5) linear feet and height of fifteen (15) feet, all brush and vegetation adjacent to rear block walls and rearview fences within Parkside and/or Country Club properties, pursuant to a schedule approved by the Contract Administrator. This brush clearance will serve to allow for proper third-party painting of those rear wall areas, as well as provide a reasonable defensive buffer against potential brush fires. Additionally, such work will include the removal of tall grasses and overgrown vegetation, and appropriate pruning. Such landscaping debris can be removed via motorized carts or in whatever efficient manner Contractor deems appropriate. Crews not assigned to normal day-to-day landscaping community maintenance, so that "regular" daily work is not compromised, shall perform brush clearance.

Please refer to Section 6.02, which speaks to optional and additional brush clearance upon the approval of Contractor proposals for such services.

5.11 Scope of Base Services – Plant and Shrub Replacement

During the course of daily Contractor services on all ACC properties, Contractor employees and subcontractors should be sensitive to any and all dead or dying plants or shrubs and immediately bring them to the attention of the Contractor Account Manager and the Contract Administrator. Scope of work should include:

- a) If the plant or shrub has been recently planted and is covered by a warranty, Contractor should proactively replace the plant at no additional charge to the ACC.
- b) If the plant or shrub has not been recently planted and is not covered by a warranty, Contractor should discuss with the Contract Administrator recommendations for replacement and also provide a proposal covering the costs of the replacement plant or shrub and installation labor. Such costs should be consistent with the pricing in Exhibit A. Prior to and concurrent with plant, shrub or tree replacement, Contractor and the ACC will discuss the density of plants/shrubs in a particular location and jointly determine as to whether or not a replacement(s) should be done, on a case-by-case basis.
- c) As appropriate, when a plant or shrub will be replaced, Contractor should discuss plant species and size with the Contract Administrator prior to initiating the work.
- d) Plants and shrubs that are in high visibility areas that require replacement should be done so, seasonally dependent and weather dependent, within two weeks of identifying plants or shrub requiring replacement.
- e) If the decision is made to not replace a plant or shrub and to decrease plant density in an area, any irrigation emitters that were in play to provide water to such now-removed plants should be permanently capped off at the surface level when the plant or shrub is first removed.

5.12 Scope of Base Services – Water and Irrigation Management and Systems

The ACC currently uses a combination of standard controllers and WeatherTrak controllers to provide for efficient water use for landscaping purposes. Within the scope of this Agreement, Contractor has the day-to-day responsibility to monitor water use, monitor controller operations and put in place appropriate controls to detect excessive water use or water leaks throughout the irrigation lines and systems in place within the ACC properties and maintenance areas.

- a) The expectation of the ACC is that Contractor will develop and deploy all appropriate controls and monitoring to promote the efficient use of water and the proper amounts of water for all irrigation purposes, and to further monitor the irrigation system for any major leaks or pipe breaks, which, if they occur, would be treated as an emergency service and responded to immediately to reduce damage to landscape and turf areas and reduce excessive water use.
- b) Irrigation systems shall be monitored, inspected, adjusted and repaired on an on-going basis by qualified irrigation technicians for maximum efficiency and water conservation. Irrigation controllers shall be programmed according to weekly needs and specific use schedules (e.g. special events, field rentals, ramada rentals) and every reasonable effort should be made to conserve water while preserving plant and turf health. Special attention should be given to ensure that grass in sports fields, the Dog Park and high activity areas that receive adequate irrigation to eliminate thinning and bare spots (these areas are irrigated with reclaimed water).
- c) All irrigation valve boxes shall have locked, secured lids and be locked at all times except when Contractor or ACC technicians are working on them.
- d) Turf irrigation systems shall be continuously inspected for proper operation after each mowing event, overseeding event, aeration event, or sodding event. Each inspection should include, at a minimum, proper coverage repair of leaks and all necessary adjustments to water flow and water spread, and appropriate parts replacements should be made for all units to operate efficiently. All drip-system hardware should be inspected at least monthly to ensure proper operation, and any

necessary repairs including plugging unused emitters shall be an on-going practice. Such activities shall also be reported on the weekly Status Report, as appropriate.

- e) A watering schedule for all turf irrigation shall be prepared by Contractor and submitted to the Contract Administrator, who will provide written approval of the plan in accordance with standard watering cycles for water conservation, park operations and public convenience. This work should also include special attention to ensuring that the irrigation and sprinkler systems are shut off during rain periods and generally wet weather.
- f) Contractor also should be fully aware of ACC schedules for special community events in ACC parks, and ensure that irrigation and sprinkler systems are shut off so as to not impact community residents who are attending such events.
- g) Contractor will, during this Agreement, provide a map of the irrigation systems and its components, as well providing counts of controllers and control valves. (Additionally, Contractor will bear all costs for systems inspection, and adjustment, including necessary labor.) The ACC utilizes AUTOCAD for its mapping, and the expectation is that Contractor will provide AUTOCAD-readable files if they use a product other than AUTOCAD for their mapping.
- h) Further to subsection (g), material shall be of like kind and quality and replacement heads and valves shall meet or exceed the quality of the existing installed equipment and be of same manufacturer and model series, to the extent such are available.
- i) Irrigation system repairs, which are the result of vandalism, shall be considered ancillary work and paid by the ACC in accordance with the pricing schedules in Exhibit A.
- j) When sprinkler systems are not operational for more than 24 hours, the expectation is that Contractor will perform irrigation and watering by hand or by other appropriate means in accordance with reasonable plant and shrub needs, and shall be considered as a routine service under the base monthly fees.

5.13 Scope of Base Services – Paseo Townhomes Common Areas

Contractor agrees to provide the following landscaping and turf management services within the scope of a “Base Monthly Services Fee”; however, the invoice for Paseo services should be separate from the Base Monthly Services Fee invoice for all other ACC landscape maintenance and turf management services that are provided.

- a) All services identified in Section 05 of this Agreement shall be performed within the Paseo neighborhood.
- b) The Paseo neighborhood should receive a “boutique” and dedicated level of landscape maintenance commensurate with the residential character of the neighborhood. The expectation for Paseo includes a high-priority, daily attention, meticulous level of care for landscaping maintenance, arbor care, turf management, common area grooming, and plant and shrub care and grooming.
- c) Maintaining the Paseo grass front yards in a highly attractive and groomed manner is essential to the success of landscape management within the Paseo neighborhood.
- d) In providing a separate Base Monthly Services Fee for Paseo-specific services, the ACC requests that such invoices include an itemized listing of services provided within the scope of each invoice, chemical applications done, specialty plant or shrub grooming services performed, and essentially a summary of work performed in the then-current month to support the pass-through billing to the Paseo property owners.

- e) Contractor agrees to assign a designated number of staff members exclusively to the Paseo neighborhood on a weekly work schedule. This staffing is independent of specialty staffing for arbor care, weed control, aeration (as dictated by approved schedules) and overseeding (as dictated by approved schedules and modified as per visual observation, weather impact or seasonal need).
- f) The ACC agrees to include the two large retention areas and large landscaped open spaces that border Venture Drive as part of the non-Paseo landscaping services, so that the Paseo invoice reflects only the true cost of all landscaping and arbor services within the community and not “bordering” the neighborhood.

5.14 Scope of Base Services – Maintenance of ACC Commercial Easement Areas

The ACC is responsible for providing landscaping services, arbor care, weed control, and plant and shrub maintenance within 14 commercial easement areas appended to this Agreement (**Exhibit D**), and which are pursuant to the Supplemental Declarations of Covenants, Conditions and Restrictions (CC&Rs) as established by the developer of Anthem.

- a) All commercial landscape easement areas shall be maintained and serviced by the Contractor in a manner consistent with the community-wide standards, and as specified in Exhibit D for each easement area (periodic and routine maintenance; not optional services such as irrigation line repairs, plant replacement, pruning over 10-feet in height, etc., unless authorized by property owner and Contract Administrator).
- b) All such commercial landscape easement services shall be considered as part of the Base Monthly Services Fee.
- c) If Contractor is unsure as to whether a particular land area is or is not part of the commercial easement, they should ask the Contract Administrator for appropriate clarification and confirmation.
- d) The parties agree that if any “new” commercial easement areas are added to the scope of services, that they will be considered as additional charge areas outside of the normal monthly base service fee.

5.15 Scope of Base Services – North and South sides of Anthem Way

There are approximately 26 acres of desert landscape area that border Anthem Way from the intersection of I-17 through to where Anthem Way converts to Meridian Drive, and later intersects with Daisy Mountain Drive, Anthem Way and Meridian Drive, that are owned by the ACC and are “scenic corridor” areas; and as part of the main community roads, shall receive meticulous landscaping maintenance and turf management services, in accordance with all of Section 05, as part of the Base Monthly Services Fee.

5.16 Scope of Base Services – Weather-related Landscape and Turf Management and Minor Storm Damage Management

In the event of a rainstorm, hail, or a “heavy rain,” but not to the extent where the event could be classified as a “major storm,” the expectation is that Contractor will respond to the event in a manner that minimizes landscaping or turf damage in a reasonably efficient and time-sensitive manner that promptly addresses any safety issues, as well as addresses prudent remediation timing to restore the affected areas to their “pre-storm” condition. The ACC and the Contractor agree to discuss and classify weather events that are “minor” or “major” on a case-by-case basis.

5.17 Scope of Base Services – Major Storm Damage Management

In a situation where a weather event could reasonably be classified as a “major storm,” the ACC’s expectation of the Contractor shall include:

- a) *Inspection.* Within 24 hours following a major storm event, the common areas will be inspected by a competent, qualified professional(s) to identify any and all landscape and turf areas where there is damage to trees and/or shrubs, damage to irrigation systems, damage to turf areas, significant erosion, or any other condition that would prudently require attention, and that Contractor would promptly report its findings to the Contract Administrator.
- b) *Remediation.* The expectation of the ACC regarding remediation shall include:
 - 1) If the storm event is “minor,” then clearing drains, minor debris cleanup and removal, re-staking of trees, minor erosion of less than 6-inches wide or deep, minor turf repair or other similar services shall be included in the base contract fee schedule and should be priced within the base monthly fee.
 - 2) For both minor and major storm or weather damage, Contractor agrees to perform all appropriate remediation services in a prompt, efficient, time-sensitive and professional manner, to the best of their ability.
 - 3) Contractor agrees that for major storm or weather incidents, additional remediation services needed shall be performed by work crews; these crews will be in addition to the normal daily staffing complement under this Agreement, so that normal anticipated day-to-day services are not sacrificed or impaired. Work will be completed as agreed to within a specific period of time and approved by the Contract Administrator.
 - 4) Remediation of a major storm or weather damage event, such as removal of fallen trees, plant replacements, significant debris removal, significant erosion of more than 6-inches deep or wide, and other such clearly identifiable landscaping and turf impacts, is EXCLUDED from the Base Monthly Services Fees, and would be invoiced separately in accordance with the pricing schedules in Exhibit A and/or in accordance with an approved separate pricing proposal provided by Contractor, dependent on the resources and equipment needed for a successful remediation.

5.18 Scope of Base Services – Sports Field Management

A cornerstone of Anthem’s park system is the high quality sports fields located in the Community Park, Opportunity Way Park and Liberty Bell Park. The ACC’s expectation is that the ACC sports fields will provide an exemplary playing surface, be well maintained and well groomed, weed-free, and provide a visually attractive and safe playing surface. These sports fields include, but are not limited to, baseball and softball fields and multi-purpose fields that are used for soccer, lacrosse, flag football, etc.

The ACC’s expectation for landscaping maintenance and turf management for sports fields includes, but is not limited to:

- a) Mow all turf areas two to three (2- 3) times per week, as seasonally appropriate, with reel mowers as conditions warrant, wherein the mowing schedule and mowing height should be discussed and approved by the Contract Administrator and discussed on a weekly basis.
- b) Use of a mulching system to mow is allowed; however, visible and excess clippings shall be removed from the property the same day as mowed and properly disposed of by Contractor in accordance with best practices and prudent environmental regulations.

- c) All walkways, base paths, and other surrounding areas should be blown and cleared at the conclusion of each mowing.
- d) Perform a minimum of four blade and eight chemical operations along the turf edges to maintain a straight and neat appearance to the fields and related areas, to the sole reasonable satisfaction of the Contract Administrator.
- e) Perform at least one core and two additional solid tine aerations annually, at optimal times to counter compaction or other adverse conditions and promote healthy turf; aeration schedules should be planned in advance of scheduled work and should be part of the annual work calendar and agreed to by the Contract Administrator.
- f) Conduct industry standard soil analysis tests at least twice annually (seasonality based) and provide copies of the test results to the Contract Administrator.
- g) Supply and apply turf fertilizer a minimum of six (6) times per year in accordance with all State and Federal regulations and to manufacturer's specifications and instructions, approximately every eight weeks or as determined by soil testing and turf appearance, to sustain healthy turf.
- h) Specific to Opportunity Way Park, special care should be given to avoid excess turf fertilization to prevent nitrates from leaching into the water recharge facility that is owned and operated by EPCOR. Turf fertilization plans for this park should be discussed with the Contract Administrator or other ACC officials familiar with the ACC's License Agreement with EPCOR for Opportunity Way Park.
- i) Perform at least one top dressing operations to all turf areas with a minimum of ½-inch of clean sand evenly spread, unless this schedule is modified on the advice of the Contractor and approval of the Contract Administrator. Additional top-dressing operations will be on an "as needed" basis.
- j) Grade and level the warning track and outfield/infield interface area of each baseball and softball field at least twice per year and perform specialized grading, as dictated by approved schedules and modified as visually appropriate, to the satisfaction of the Contract Administrator.
- k) Prevent/control/eliminate routine weeds in turf locations on an ongoing basis. Nutsedge is not considered a "routine" weed in turf locations, and controlling this weed is not included in the Base Monthly Services Fees.
- l) Water turf areas to provide adequate soil moisture at the root zone and healthy turf without over-watering, as dictated by approved schedules and modified as visually necessary.
- m) Inspect all turf irrigation hardware weekly for proper operation and maximum water conservation.
- n) Inspect turf areas weekly and make necessary minor repairs (e.g., not limited to filling holes with sand).
- o) Give special attention to preventing seasonal grass transition problems (e.g., bare spots, weeds) in overseeded areas, and present proactive strategies to address adverse conditions to the Contract Administrator. Slit seeding of appropriate hybrid Bermuda seed may be necessary on a periodic basis.
- p) Repairs that require new sod shall be coordinated with the Contract Administrator and a separate cost proposal for the necessary quantities of sod should be presented to the Contract Administrator for approval in advance of performing this work. The parties agree that the ACC shall be billed for the sod itself as per Exhibit A.
- q) Contractor shall coordinate all sports field operations in cooperation and conjunction with the Contract Administrator and other ACC designated personnel involved in sports field

management, and work collaboratively to develop, implement and maintain an annual sports field renovation and “resting” schedule to sustain healthy turf and fields while balancing user demands.

- r) Seasonal overseeding for designated turf areas shall include having the Contractor conduct all work necessary to grow healthy and uniform winter ryegrass suitable for active sports areas, including scalping and soil preparation, application of seed, application of top dressing as visual observation may dictate, and removal and proper disposal of all clippings and debris.
 - 1) Contractor to use premium perennial Ryegrass seed at a rate of at least 12-15 lbs. per thousand square feet spread evenly. The cost of seed is not included in the base monthly contract fee and may be billed to the ACC at Contractor’s cost without markup, per Exhibit A. However, the labor and equipment to conduct the annual overseeding is included in the base service fee.
 - 2) Adjust the irrigation system to ensure adequate water for the Ryegrass to germinate while minimizing overflow.
 - 3) Provide necessary mowing and weed control in sports field areas that are not overseeded so as to present a well-maintained appearance. Contractor shall strive to maintain healthy and green Bermuda grass in areas not overseeded for as long as the weather and/or temperatures permit. Currently, the following sports fields are not overseeded: the baseball and softball outfields, Little League Field #3 “buffer zone,” Opportunity Way Park, and it is envisioned that the Dog Park will not be overseeded. Please note that overseeding decisions are subject to change.

5.19 Scope of Base Services – Leisure Turf Management

An added cornerstone of Anthem’s park system is the expansive non-sports field turf within Community Park, Liberty Bell Park, Opportunity Way Park, and around the Civic Building and the Community Center.

The ACC’s expectation for landscaping maintenance and turf management for these leisure turf areas includes, but is not limited to:

- a) Mow all turf areas at least once per week; schedule and mowing height to be approved by the Contract Administrator weekly in cooperation and consultation with the Account Manager.
- b) Use of a mulching system to mow is allowed; however, visible and excess clippings shall be removed from the property the same day as the mowing occurs and should be properly disposed of by Contractor in accordance with “best practices” and environmental regulations.
- c) Contractor work crews will blow and clear all walkways, paths and non-turf areas after each mowing.
- d) Edge paved surfaces adjacent to turf areas as dictated by mowing services and/or by approved work schedules in order to maintain a neat appearance to the reasonable satisfaction of the Contract Administrator.
- e) Aerate all turf areas at least three (3) times per year at optimal times to counter compaction or other adverse conditions and promote healthy turf; aeration schedules should be coordinated and developed collectively with the Contract Administrator.
- f) Conduct industry standard soil analysis tests at least twice annually and provide copies of the test results to the Contract Administrator.

- g) Supply and apply turf fertilizer a minimum of four (4) times per year in accordance with all State and Federal regulations and standards and to manufacturer's specifications and instructions, approximately every eight weeks or as determined by soil testing and turf appearance, to sustain healthy turf. Special care should be given to avoid excess fertilization that may leach into the soil beyond the root zone.
- h) Prevent/control/eliminate routine weeds in turf locations on a continual basis as a necessary and vital part of the weekly inspection process and modified by visual observation. Nutsedge is not considered a "routine" weed in turf locations and controlling this weed is not included in the base monthly service contract fees.
- i) Water turf areas to provide adequate soil moisture at the root zone without over-watering.
- j) Inspect all turf irrigation hardware weekly for proper operation and maximum water conservation.
- k) Inspect turf areas weekly and make necessary minor repairs (e.g., not limited to filling holes with sand).
- l) Sod repairs should be done consistent with Section 5.18. Additionally, sod replacement should be part of an overall annual sod replacement plan developed jointly by the Contract Administrator and Contractor, and approved by the ACC CEO.
- s) Give special attention to preventing seasonal grass transition problems (e.g., bare spots, weeds) in overseeded areas and present proactive strategies to the ACC to address adverse conditions to the Contract Administrator. Slit seeding of appropriate hybrid Bermuda seed may be necessary on a periodic basis.
- m) Seasonal overseeding for leisure turf areas shall include having Contractor conduct all work necessary to grow healthy and uniform winter ryegrass (or appropriate hybrids as approved by Contract Administrator), including scalping and soil preparation, application of seed, application of top dressing as per approved work schedules, modified by visual observation, and timely and prompt removal and proper disposal of all clippings and debris.
 - 1) Contractor to use premium perennial Ryegrass seed at a rate of at least 8-10 lbs. per thousand square feet spread evenly. The cost of seed is not included in the base monthly contract fee and may be billed to the ACC at Contractor's cost without markup, per Exhibit A; however, the labor and equipment to conduct the annual overseeding is included in the Base Monthly Services Fee.
 - 2) Adjust the irrigation system to ensure adequate water for the Ryegrass to germinate while minimizing overflow as per weekly-approved schedules.
 - 3) Currently, all leisure turf areas are overseeded. However, if some turf areas are not overseeded at the discretion of the ACC, Contractor will perform necessary mowing and weed control in these areas during the winter months to present a well-maintained appearance. Contractor shall strive to maintain healthy and green Bermuda grass in areas non-overseeded for as long as weather and/or temperatures permit.
 - 4) Contractor should demonstrate every reasonable effort possible to minimize the unsightly impacts of the Bermuda grass transition each summer. The ACC expectation is that such actions would include, but not be limited to, proactive aeration and fertilization, tree pruning to maximize sun penetration and other creative and prudent strategies that maximize the visual appeal of turf areas during the grass transition period.

5.20 Scope of Base Services –Dog Park (opening fall 2019)

The ACC’s Dog Park, slated to open in October 2019, will be one of the finest facilities of its kind in Arizona. It is designed with four off-leash zones with a 419 Bermuda grass surface on a sand base. The four (4) off-leash zones include approximately three (3) acres of grass (2 one-acre zones and 2 half-acre zones) surrounded by curbing and a DG buffer area. The off-leash zones will be rotated to protect the grass, with two zones being closed at all times. The grass turf areas of the Dog Park should be maintained as an active sports field consistent with section 5.18, or as customized on the advice of the Contractor and approved by the Contract Administrator. The goal is to provide a safe and attractive grass surface on which the dogs may play, and to minimize wear patterns and the need for re-sodding to the extent possible. The non-grass areas of the Dog Park should be maintained consistent with sections 5.07, 5.08, 5.19, and other applicable sections of 05.

5.21 Scope of Base Services – Developing and Maintaining an Annual Landscaping Inspection Schedule and Work Plan

The ACC recognizes that the scope and size of overall landscaping requirements in our community is a challenging task, and that task is best accomplished by the development of a comprehensive annual work plan and schedule that incorporates the obligation that every area of ACC landscaping, including those areas that are not easily visible from a roadway (such as open spaces and washes) receive from Contractor, at a minimum, an annual inspection as to status and potential work required.

5.22 Scope of Base Services – Miscellaneous Service Expectations

The ACC would like to contract for the following miscellaneous or additional services, to be added to and built into the Base Monthly Services Fee pricing:

- a) Daily blow-off of the pickleball courts, tennis courts, Veterans Memorial, Adventure Playground and Discovery Playground.
- b) As visually observed, clean, rake and weed play sand areas at least twice weekly, inclusive of the sand volleyball areas.
- c) Use blower or vacuum to clear debris from entrances to the Civic Building and Community Center each morning and inspect the entrance, landscaping and flowerbeds, and perform repair work as appropriate. In the event that plants or flowerbeds need replacement or supplements, promptly bring such recommendations to the attention of the Contract Administrator.
- d) Monitor and report graffiti and/or acts of vandalism to the Contract Administrator immediately when observed.
- e) Provide appropriate technical assistance and data to assist the Contract Administrator in preparing an accurate and cost-effective annual budget for landscape maintenance and turf management in the third quarter of each year. This should include recommended plans for re-sodding, granite replacement, brush clearance, storm drain clearance, tree pruning and other maintenance items not included in the Base Monthly Services Fee.
- f) Provide the ACC with updated maps of the service areas to be maintained pursuant to this Agreement.



Top: Aerial view of the Civic Building

Bottom: Aerial view of the Community Center



Section 06 SCOPE OF SERVICES CONSIDERED TO BE OUTSIDE OF BASE SERVICES

This Agreement contemplates that the following listings of services and work tasks, inclusive of all labor, materials, tools, equipment, supplies, chemicals, seed, transportation and other resources will be excluded from the Base Monthly Services Fee, unless specifically identified as an included service.

6.01 Scope of Optional Services – Storm Damage Remediation and Management

In the event that the ACC is impacted by a “major storm” or weather event, where such an event is so described by the ACC in its reasonable judgment, Contractor will perform the following services (not all inclusive) by qualified and competent professional to remediate damage to common areas, landscape, turf, trees, and shrubs, and infrastructure:

- a) All storm damage remediation efforts will be performed in a specific timeframe and manner as agreed to by Contractor and the Contract Administrator.
- b) Remediation of major storm damage, which includes clearing drains, major debris removal, re-staking trees, erosion greater than 6-inches side or deep, shall be performed based on the pricing for such services as included within this Agreement.
- c) HOWEVER, the impacts of minor storm damage, which could include clearing drains or culverts, minor debris removal, realigning irrigation heads, minor erosion less than 6-inches wide or deep, will be included in the Base Monthly Services Fee and NOT be an optional charge.
- d) Work crews above and beyond the normal staffing levels of the Base Monthly Services Fees will perform all Contractor major storm remediation efforts.

6.02 Scope of Optional Services – Brush Clearance (Block Rear Walls & View Fences)

The base monthly service contract includes a provision for clearing 30,000 linear feet of brush behind walls and view fences at a width of five feet (5’) and a height of fifteen feet (15’).

Exhibit A speaks to brush clearance above and beyond the required linear footage included in the base monthly service contract. Contractor agrees to provide such additional brush clearance services to the ACC as requested, without a linear foot limit, at the pricing contained in Exhibit A. If contracted by the ACC to perform such additional work, these services shall be performed prior to the Spring/Summer brush fire season.

6.03 Scope of Optional Services – NAOS/404 Clean Up

If contracted by the ACC to perform such services, Contractor will provide cleanup of debris and man-made trash in protected conservation areas/washes, as approved by the Contract Administrator. The Contractor, shall in the course of their regular duties and brush clearance, notify the Contract Administrator of wash areas that need cleanup of debris and trash, and provide a proposal for said cleanup, as requested by the Contract Administrator. Such services will be done in accordance with the Restrictive Covenants governing such lands.

6.04 Scope of Optional Services – Culvert Clean Outs

The ACC recognizes that it is important to keep culverts on ACC property free from debris that could impact the flow of storm water. The Contractor shall identify culverts through the course of their maintenance activities that should be added to the annual culvert cleanout list, and provide a proposal for performing this project work outside of the base monthly fee and with additional personnel, as approved

by the Contract Administrator. The goal is to inspect and clean out all major culverts under the maintenance responsibility of the ACC on a five- (5) year rotation.



*Landscaping at
Anthem entrance falls.*



Section 07 LABOR AND EMPLOYMENT GUIDELINES

7.01 Independent Contractor

As referenced in Section 4.01, it is expressly understood that Contractor shall act as an Independent Contractor and not as an employee of the ACC. Contractor shall assume full responsibility for all of the contractual duties and responsibilities within the specifications of this Agreement; direct its personnel and its subcontractors as is required to perform such services; retain any and all licenses that may be required in order to properly and legally perform such services; and exercise full and complete authority over their personnel.

7.02 Personnel and Staffing

In its role as an Independent Contractor performing the services specific to this Agreement, Contractor will provide all supervision, labor, equipment, tools, skills, transportation and materials required for the efficient and complete performance of the specified work as described in this Agreement.

- a) Contractor will provide, at their cost, an on-site dedicated full-time Account Manager who speaks and writes fluent English. This individual will have full day-to-day responsibility for all Contractor services rendered and shall be the principal day-to-day contact individual to work with ACC representatives. Contractor will provide to the Contract Administrator the email and cell phone and emergency access to this individual(s).
- b) Contractor will provide, at their cost, field supervisor(s) who have a conversational understanding of English (read/write/speak), and who will have day-to-day responsibility for crew oversight and review of work performed.
- c) Contractor will provide, at their cost, an agreed-upon minimum number of crewmembers dedicated to the ACC account, which may fluctuate seasonally to address workload peaks. This total number of crew members shall be factored into the base fee for services provided, and Contractor will be responsible for assuring the ACC that this minimum number of crew members are available to service the account daily. In the event that this minimum number of crew members is not available each day, Contractor will either provide overtime or weekend services to “make up” for the number of crew member hours not provided as a result of not meeting this minimum number of on-site crewmembers. Additionally, crewmembers will be properly trained in the safe operation of lawn maintenance, tree maintenance, mowing, tree and shrub care and maintenance, and all other landscaping services considered as daily types of work services within the scope and intent of this Agreement.
- d) Contractor agrees that all employees engaged on the ACC account have undergone and passed standard pre-employment criminal and driving history background checks. Additionally, such employees will have passed a standard pre-employment substance abuse test, and be advised that all ACC property is an alcohol, tobacco and drug-free zone.
- e) Contractor agrees to provide continuing education to its employees and appropriate testing for substance abuse and/or intoxication while on-site on the ACC account.
- f) Contractor will provide, at their cost, an appropriate number of additional crewmembers, for special projects such as tree trimming, weed control, irrigation repair, brush clearance (behind walls and fences) or whatever type of special project or circumstance requires, so that scheduled day-to-day work is not negatively impacted.

- g) Contractor will provide, at their cost, appropriate logo and branded apparel for their employees and subcontractors so that they can be easily identified as part of the Contractor organization.
- h) All Contractor riding/driving equipment shall be branded with the Contractor logo for identification.
- i) While the ACC recognizes that Contractor is an Independent Contractor, the Contractor agrees that its employees will not solicit (or accept from) Anthem residents or Anthem businesses to perform “side work” outside of the normal operating hours when Contractor is expected to perform services for the ACC. Additionally, the ACC agrees that its employees or volunteers serving the Community shall not solicit or hire Contractor’s employees for personal landscaping services.
- j) While not required to be on-site, Contractor agrees to provide, at their cost, a certified Arborist for consultation on an as-needed basis. Contractor also agrees to provide, at their cost, staff with a significant understanding of sports field maintenance; tree maintenance and preservation; irrigation management and equipment maintenance; weed management and the safe application thereof; and grass management professionals to guide Contractor staff and provide technical assistance to ACC staff, as needed.
- k) When needed for special projects such as tree trimming, weed control, irrigation repair, brush clearance (behind walls and fences), such services will be performed by Contractor work crews that are independent of the crews generally assigned to the ACC account, so that normal scheduled daily services and work schedules are not negatively impacted.
- l) Contractor shall maintain a 24-hour emergency response system to respond to emergency service requests within a one (1) hour of notification, to the satisfaction of the ACC. For clarity, an “emergency” could include an irrigation break, pipe break, clear danger to resident safety, or any other hazard or event that presents a significant safety or financial concern that would reasonably need immediate corrective action.
- m) Contractor agrees to respond to “non-emergency” requests from the ACC within a maximum of 24 hours or within an alternative time frame that is acceptable to the ACC.
- n) Contractor agrees to adjust its daily work hours of operations on the ACC account to accommodate changes in daylight hours, reasonable weather changes, or seasonality as may be reasonably requested by the ACC, and to comply with local laws regarding start times and noise control, as applicable.
- o) Contractor shall perform routine maintenance (as described in Section 05) and cyclical work Monday through Friday each week (except holidays) as a standard work schedule and provide to the Contract Administrator a weekly schedule of cyclical work for each area and zone. Contractor shall perform work after normal business hours and on weekends to support basic sports field maintenance, special events coverage, and other route landscape maintenance and turf management services and logistical needs, as part of the Base Monthly Services Fee.
- p) All damages incurred to sites under this Agreement by the Contractor’s operation shall be repaired or replaced by Contractor or by other forces (at the discretion of the Contract Administrator) at the total expense of the Contractor.

7.03 Non-Discrimination

Contractor agrees that it shall not discriminate against any person or group because of race, age, sex, creed, ethnicity, color, gender, religion, national origin or any other protected characteristics as defined by all applicable laws.

Section 08 OTHER BUSINESS REQUIREMENTS

8.01 Conflicts of Interest

Contractor agrees to not take any action that could be reasonably considered as creating a conflict of interest with any ACC employee or director. This would include, but not be limited to: (a) alluding to a potential employment opportunity; (b) providing any type of gift or valuable consideration; (c) offering any type of quid-pro-quo service; or (d) requesting any type of unusual favors or biased consideration from an ACC employee. In the event of such a conflict of interest, the ACC may consider it a material breach of this Agreement.

8.02 Courtesy Equipment Storage and Official Use

To the extent that the ACC has available space and provides its approval, Contractor may stage its equipment and materials on ACC property, specifically within and limited to the ACC Maintenance Yard, which is an enclosed and gated location. However, any and all equipment or materials on ACC property are at the sole risk of loss to Contractor, and Contractor agrees to indemnify the ACC against any such risk of loss or damage as a consequence of storing equipment or materials on ACC property.

Additionally, if space is available, Contractor will be provided office space during operational hours within the Parks & Facilities Building, and which can serve Contractor as a central point of administration for all services performed by Contractor on behalf of the ACC. Contractor agrees that it shall use this storage space and office space for official business purposes only specific to and exclusively for this Agreement, or as otherwise approved by the Contract Administrator. The Contract Administrator may discontinue these courtesy uses at any time.

8.03 Equipment Condition and Maintenance

Contractor agrees that it will maintain all of its capital equipment used on the ACC account in proper and safe working order. This includes, but is not limited to: (a) having equipment at proper noise levels; (b) performing proper vehicle maintenance to minimize oil leaks or breakdowns while on-site; (c) not using ACC facilities to perform vehicle or equipment maintenance; (d) ensuring that all motorized equipment that release gases or fumes is in compliance with all environmental and regulatory requirements; and (e) ensuring that all riding/driving vehicles display the Contractor logo to clearly identify them as owned and operated by Contractor.

8.04 Equipment Operators

Contractor agrees that it will ensure that all of its employees and subcontractors who operate motorized equipment, including vehicles, shall at all times possess and carry a valid vehicle operator's license for the class of vehicle that is driven or operated under this Agreement, in accordance with all in-force laws.

8.05 Projects and Ancillary Work Orders

Contractor and ACC recognize that the scope of services provided can include emergency projects; unexpected repairs; special landscaping and turf management projects and other types of ancillary work that may not have been contemplated within this Agreement, and/or that may not be included or listed in the monthly base service fees or on the itemized price schedules included in the Exhibits to this Agreement. In such situations, the parties agree to generally follow these guidelines:

- a) Every special project or ancillary work order will be supported by a Contractor-prepared proposal that is signed and approved, in advance of the work, by either the Contract Administrator, or another authorized ACC employee.
- b) Each such Contractor proposal will include a full description of the services to be performed; the estimated start and completion of the project; unit pricing if applicable; and the estimated or firm price to perform the services.
- c) However, in emergency situations that would include irrigation issues, or a major leak, system failure, material malfunction, or other such event that could impair the safe and prudent use of ACC properties, such emergency work can be performed on the verbal approval of the Contract Administrator or other authorized representative of the ACC. Once the emergency is rectified, the Contractor will prepare a post-facto proposal document, obtain an approval signature, mark the proposal as an “emergency repair” and submit for payment.
- d) All approved proposals shall be paid by the ACC to Contractor under normal open account terms.
- e) In the event that the ACC challenges any component of an invoice or its original proposal, Contractor agrees to provide any reasonable documentation supporting the charges, either for materials, labor or any other component of the final invoice.

For Change Orders, Special Projects and/or Ancillary Work Proposals that are approved by the Contract Administrator, Contractor agrees to provide all such invoices on open account net 30-day terms.

8.06 Change Orders to Projects and Ancillary Work Orders

- a) The ACC may add or delete landscape maintenance services or turf management services to the scope of work without invalidating this Agreement. If any such changes increase or decrease the base monthly fees due under the Agreement, or the time required for the proper performance of such supplemental work, all such equitable adjustments would be authorized in writing by the Contract Administrator and ACC CEO or designee. Price adjustments for services added or deleted to the Agreement shall be consistent with pricing for other comparable services or as otherwise negotiated.
- b) Minor modifications and “housekeeping” changes may be made to the Agreement by the Contract Administrator or other authorized ACC employee if agreed to by both parties, providing that the intent is to update, clarify or otherwise address unanticipated issues, and any cost impacts are negligible and covered within the ACC’s approved operating budget.

8.07 Invoices

Contractor agrees to provide all invoices on open account net 30-day terms, no anticipation. Contractor agrees to provide an updated IRS W-9 annually in January prior to any invoices being paid in the then-current year. Contractor also agrees to allow the ACC to pay invoices by check, or by wire transfer or by Visa or MasterCard. There shall be no additional charges or fees added to this Agreement as a

consequence of what methods of payment the ACC utilizes. Additionally, Contractor shall follow these invoicing guidelines:

- a) As specified in the attached Exhibits, Contractor will submit a standard monthly invoice for base services provided. The Base Monthly Services Invoice will include all such services and charges that are included in this Agreement as “standard services”
- b) As specified in the attached Exhibits, Contractor will submit a separate standard monthly invoice for services provided to Paseo.
- c) All Special Projects, Ancillary Work Orders, or Change Orders will be submitted on a unique, separate invoice. Each invoice must provide a detailed listing of work performed. Where and when appropriate, if the additional work can be measured in linear feet or square feet, the Contractor will include this information on the invoice detail.

8.08 Ethical Considerations

Contractor acknowledges the ACC policies that govern ethical behaviors of its business partners and agrees that it will not engage in any action or behavior which provides any type of financial or non-financial gratuity, gift or valuable consideration to any ACC employee, director, representative or agent, for any purpose including but not limited to securing this Agreement or any Extension thereof, any terms or conditions or pricing contained in this Agreement or future such Agreement or Addendum.

Section 09 INDEMNIFICATIONS AND INSURANCE REQUIREMENTS

9.01 Workers Compensation Insurance Coverage

Contractor agrees to provide statutory Arizona Worker’s Compensation to cover all employees who are working on ACC property or who are performing any services on behalf of this Agreement. Contractor further agrees to provide proof of such in-force insurances at each insurance renewal period, with such proof of insurance provided to the Contract Administrator.

9.02 Minimum Business Insurance Coverage

Contractor will also provide commercial general liability, workers compensation, excess and automobile liability insurance to meet or exceed the minimum limits required by the ACC:

- a) Commercial General Liability insurance with minimum limits of \$1,000,000 Combined Single Limit per occurrence, \$2,000,000 General Aggregate limit and \$2,000,000 Products-Completed Operations Aggregate limit.
- b) Automobile Liability insurance covering all of Contractor’s owned, non-owned, fleet and hired vehicles with a minimum limit of \$1,000,000 Combined Single Limit per accident.
- c) Employers Liability/Workers Compensation insurance with a minimum limit of \$1,000,000 per incident/accident.
- d) Umbrella/Excess Liability insurance over the above policies with a minimum limit of \$5,000,000.
- e) All such policies to be carried should have a minimum financial rating of A-/V.

Contractor agrees to name the ACC as an additional insured to such policies as appropriate and to provide proof of insurances at each renewal period, or as requested, to the ACC.

9.03 Verification of Employment Status for Employees of Contractor

As noted in Section 04, Contractor agrees that it shall follow all laws of the United States and of Arizona in the hiring process for its employees, ensuring that all employees are legally allowed to work in the United States, and that compensation paid to all employees meets at least the minimum wages required to be paid per Arizona or the Federal Government, whichever is higher. Contractor also agrees that it will perform and maintain adequate documentation on each employee to ensure that they continue to meet all Arizona and Federal employment requirements, including by not limited to E-Verify, I-9 Requirements and any other future requirement imposed by the State or Arizona or the Federal Government.

9.04 Motorized Vehicles and Operators

Contractor agrees, on behalf of itself and all of its subcontractors, that all vehicles used on the ACC property for any services performed will be properly licensed and hold a current valid registration with the State of Arizona. Additionally, all Contractor employees and Contractors and subcontractors who will operate a motorized vehicle shall, at all times, possess and carry a valid vehicle operator's license for the class of vehicle that they are operating. Contractor further agrees that it will perform appropriate and adequate verification that all operators hold a valid in-force operator's license and all such operators will be listed under their insurances as named operators under their insurance policies.

9.05 Indemnifications

Contractor agrees to include Anthem Community Council, Inc., and all of their respective directors, officers, members, managers, employees, agents and volunteers as additional insureds on a primary and non-contributory basis, and shall maintain current certificates of insurance and endorsements on file with Contract Administrator as evidence of compliance with the requirements of this section at all times during the contract period.

To the fullest extent permitted by law, Contractor shall indemnify, defend, save and hold harmless Anthem Community Council, Inc., and all of their respective directors, trustees, officers, members, managers, employees, agents and volunteers from all damages arising out of Contractor's work, including attorney fees, damages for bodily injury, sickness, disease, or death, and tangible property damage other than the work itself. Further, the Contractor's indemnification shall hold the ACC and all respective indemnities harmless from and against all loss and expense, including by not limited to, reasonable attorney's fees, by reason of any liability or allegation of liability, against the indemnities for damages because of property damage or bodily injury, occupational sickness, death or disease resulting therefrom, while performing the work or while on the Anthem job site where work is being conducted, or elsewhere, while engaged in the performance of any work or service under this Agreement. Without limiting the generality of the foregoing, the defense and indemnity set forth in this section includes all liabilities, damages, losses, claims, demands and actions on account of bodily injury, death or property loss to the ACC or its indemnities. Additionally, such defense and indemnity shall include all liabilities, damages, losses, claims, demands and actions for defamation, false arrest, malicious prosecution, or any other infringement or similar rights.

9.06 Force Majeure

Whenever a period of time is provided for in this Agreement for the Contractor or the ACC to do or perform any act, service or obligation, neither party shall be liable for any delays or inability to perform if

such delay is due to a cause beyond its reasonable anticipation or control and without its fault or negligence including, without limitation, the following: (a) severe acts of nature; (b) embargoes; (c) work stoppages, strikes, lockouts or labor disputes; (d) acts of war; (e) acts or failures to act on the part of any governmental authority, including but not limited to any enactment of laws, rules, regulations, codes or ordinances subsequent to the starting date of this Agreement; (f) acts of a military authority; (g) epidemics or pandemics; (j) terrorist acts; (k) earthquakes, floods, hurricanes, tornadoes or other similar calamities; or (l) other major environmental disturbances. If a delay is caused by any of the force majeure circumstances noted above, the time period shall be reasonably extended for only the actual amount of time said party is so delayed.

Section 10 MISCELLANEOUS TERMS

10.01 Side Jobs

The ACC agrees to not solicit any employee of Contractor to perform any services or additional work outside of the business relationship between the ACC and Contractor. Additionally, Contractor's employees and subcontractors should not solicit any ACC employee or any Anthem resident with an offer to provide residential landscaping, turf management or irrigation services.

10.02 Mutual Non-Solicitation of Employees

During the term of this Agreement and any approved extensions to same, and for an additional period of two (2) years after the termination of this Agreement, each party agrees to not directly or indirectly, for itself or any other entity, employ any person who is employed by the other party. Each party agrees to not solicit, or encourage any such person to terminate their employment with the other party. In the event that one party does solicit and/or hire as an employee an individual currently working for the other party, both parties understand that the actual damages incurred from a breach of this provision would be both impractical and extremely difficult to establish a "hard number." Therefore, for any such breach, the party who breaches this provision shall pay to the party who suffers the breach an amount equal to one full year's salary of the individual who is solicited and hired by the breaching party.

10.03 Entire Agreement

This Agreement represents the entire business agreement between the parties, inclusive of any supplemental addendums and exhibits. This Agreement also supersedes any prior negotiations, representations or understandings either written or oral.

However, the parties agree that the entire scope of services and covered land areas may not be fully highlighted in the attachments, exhibits or addendums to this Agreement, and that in such cases, the parties agree to allow the inclusion of supplemental documents to be appended to this Agreement as if they were originally contemplated and attached. Further, this Agreement covers landscape maintenance services for all property owned or controlled by the ACC as referenced in the governing documents and supplemental declarations of the ACC, unless specifically exempted in this Agreement, and as such there may be occasions where additional documents are to be appended to this Agreement to either clarify, highlight or further explain areas of required services.

In the event of any conflict between the language in any other document and what is contained in this Agreement, the language of this Agreement shall control.

10.04 Subcontractors Used by Contractor for This Agreement

All persons under the direction of Contractor who are performing services on behalf of this Agreement shall be direct employees of Contractor. While the ACC does not oppose the use of subcontractors under the direction of Contractor, Contractor will identify, in advance of use, to the ACC when it uses third-party subcontractors. Additionally, Contractor agrees to take all operational responsibility and financial responsibility for the work, safety, and security of all such subcontractors and specifically indemnifies the ACC from any such risks or loss or potential general or property liability or workers compensation claims.

10.05 Non-Exclusive Work or Services

The ACC reserves the right to seek and secure competitive proposals from other service providers and utilize other service providers to perform any specialty or project work.

Additionally, nothing in this Agreement shall prohibit Contractor from performing services to any other party or client, however any equipment or materials destined for a client other than the ACC shall not be stored on the property of the ACC without the express written permission of the ACC and further, Contractor specifically indemnifies the ACC from any claims of loss or damage as a result of storing any such materials or equipment on ACC property, even if the ACC provides its' permission to do so.

10.06 Jurisdiction of Agreement

Arizona law shall govern this contract, and any action arising under it shall be brought exclusively in the Courts of Maricopa County.

10.07 Legal Fees in the Event of Arbitration or Litigation

Should an event occur in which a lawsuit or any legal action or any arbitration were to commence to enforce any terms of the Agreement, the party that prevails in the arbitration or lawsuit or legal action shall be entitled to a reimbursement in full from the other party of all arbitration costs and/or legal fees or costs in relation to enforcement of the Agreement along with any subsequent appeals in relation to the same agreement, lawsuit or legal action.

10.08 Authority to Enter Agreement

The person signing the contract on behalf of Contractor hereby attests that he/she has the power and authority to execute this contract on behalf of the Contractor. The person signing the contract on behalf of the ACC attests that he/she has the power and authority to execute this contract on behalf of the Anthem Community Council, Inc.

10.09 Severability of Agreement

Any determination by any court of competent jurisdiction that any provision of this contract is invalid or unenforceable shall not affect the validity or enforceability of any of the other provisions therein.



Opportunity Way Park



10.10 Assignment of Agreement

Without prior written consent of the ACC, the Contractor may not assign its duties under the contract. Any attempt by Contractor to assign any of the rights or obligations of the contract without such consent is void.

I have read and agree to the terms of this Agreement:

Contractor

Anthem Community Council, Inc.

Signature of Contractor

Neal Shearer
Community Executive Officer

Print Name

Neal Shearer
Print Name

Date

Date

END

**Please refer to the exhibits.
Thank you for your interest.**





100% EMPLOYEE OWNED

DLC RESOURCES
THE LANDSCAPE MANAGEMENT EXPERTS