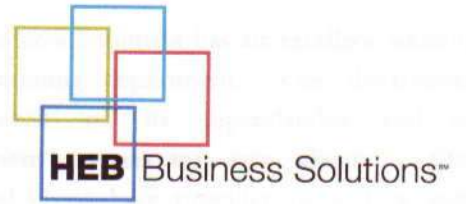


*Proposal to Provide Professional Accounting Services*



*Prepared for*

*Hideaway Valley Property Owners Association*

*October 12, 2007*

HEB Business Solutions

*Background of our Firm*



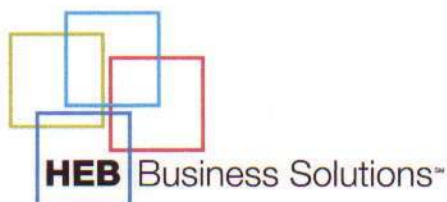
**Consider this proposal as a roadmap for a long-term relationship between Hideaway Valley and HEB Business Solutions.**

HEB Business Solutions provides audit, review, accounting and tax services to over fifty community and timeshare associations throughout the western United States. We are members of the Private Companies Practice Section of the American Institute of Certified Public Accountants. This membership requires that we have a peer review every three years. A high percentage of our clients have been with the firm since its inception in 1975, demonstrating the firm's successful efforts in providing distinctive and superior service.

Our affiliation with the Community Associations Institute (CAI) and the American Resort Development Association (ARDA) allows us to stay current on industry topics as well as share our knowledge of the industry with others at local, regional, and national conferences.

HEB Business Solutions utilizes the latest in computer technology. The firm maintains audit, accounting and tax software to professionally prepare all financial statements and tax returns; administer payroll, accounts payable, accounts receivable, and billing functions. This provides us with a high degree of flexibility and better response time for our clients.

HEB Business Solutions has an excellent auditing and accounting department. Our department prides itself on its dependability and its commitment to serving our clients. Our diversified client base provides us with a wide range of business and financial experience, which enables us to tackle any problem that a client may encounter.



## Your Accounting Needs



**HEB Business Solutions is prepared to exceed your expectations and needs.**

Based on a recent meeting with Shelly Marshall, and Association member, the following points summarize our understanding of your needs:

- **Responsive and Timely.** You expect your accounting advisor to be responsive to the needs and requests of the owners and board, timely in the delivery of services, knowledgeable about your goals and challenges, and interested in your success. You also desire a firm that is committed to you and the industry into the future.
- **Value.** You expect your services to be completed economically and professionally. You want your advisor to approach accounting, tax, and consulting issues in a manner that will ensure the smooth operation of the Association.
- **Client Relations.** You need a trusted accounting firm that places the highest value on providing quality service for and maintaining sound working relationships with your organization. We are confident in the ability of individuals at HEB Business Solutions to work effectively with individuals at your organization.

- **Consulting.** You want your advisors to have a thorough understanding of the industry so they won't have to be trained or educated on industry topics. You want advisors who can administer all of the accounting functions of the association and who can produce relevant and timely financial statements and data that will help you to assess the financial condition of the Association at any time. You also want advisors that can assist you in developing a budget and in monitoring variances, and who can provide relevant and timely budgetary advice.

At HEB Business Solutions, we will fulfill all of your requirements in selecting a professional accounting firm. In fact, we are prepared to exceed your expectations and needs.

## Our Engagement Team



**HEB Business Solutions Partners and Managers are available to provide you with the highest level of knowledge and service.**

A key element in your selection of a public accounting firm is the people you will work with on a daily and weekly basis. Huber, Erickson & Bowman professionals have served numerous homeowners associations. They are highly motivated to help you make your Association even more successful. Shown below are brief descriptions of the responsibilities of those who will serve you.

➤ **Mr. John D. Boekweg**

John is the senior audit and accounting manager in our firm. He will coordinate all services rendered to your association and will be your primary contact. John will be in charge of all of the day-to-day accounting, budgeting, and consulting needs.

➤ **Mr. Chesley H. Erickson**

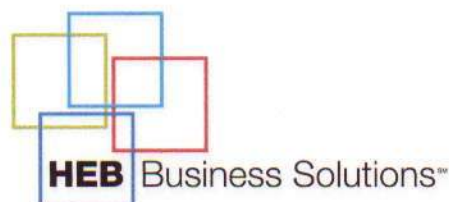
Chesley is the managing partner in our firm and will make all staffing decisions as well as all quality assurance decisions regarding your account.

➤ **Mr. F. Charles Huber**

Chuck is the firm's founding partner. He will assist in making staffing decisions regarding your account.

➤ **Mr. David B. Lewis**

Dave is a partner in our firm. Dave will be in charge of all tax services rendered by our firm including the coordination of the preparation of the federal and state tax returns as well as tax provisions.



### *Anticipated Services*

We anticipate performing the following services described as follows:

#### **Accounting Services**

Our accounting services will include the following:

- Accounts payable processing and administration twice monthly. This will also include cash flow management to ensure there is enough cash in the bank when payments are made.
- Owner account reconciliation and maintenance that includes quarterly billing, collection, reconciliation, and aging analysis. Incident to this service, we will provide coupon books and envelopes, if necessary, to the owners to ensure the ease, efficiency, and accuracy of the billing and collection process. We will also ensure that deposits are made timely. If requested, we will also explore the possibility of instituting an online payment system through the Association's existing web site that will provide owners the opportunity to pay their quarterly assessment online.
- General ledger maintenance and control including month and year-end adjustments and closings.
- Monthly bank reconciliations.
- Fixed asset and subsidiary ledger maintenance, reconciliation, and control.

#### **Quarterly Compilation Services**

Each month we will compile financial statements on a fund basis that reflects the balance sheets and income statements for the operating and reserve fund accounts. The financial statements will be prepared in accordance with generally accepted accounting principles; however, due to our extensive involvement in the Association's accounting processes, our compilation report will state that we are not independent with respect to the Association.

The compiled financial statements will include supplementary information to assist your board in assessing the financial condition and results of operations of the Association and will include, at a minimum, quarterly and year-to-date budget to actual and variance analysis, check register, trial balance, and general ledger detail. Other supplementary information may be added at your request. We will be available to present quarterly financial statements to your board of directors every quarter, if requested.



**More than simply reviewing the facts, our service team will bring analysis and ideas for improving accounting, budgeting and management functions of Hideaway Valley.**

**Income tax Preparation and Consulting**

Our tax services are integral to our overall performance as a professional public accounting firm. Our goal as tax professionals is to provide the highest quality tax service for our homeowners association clients, and to discover and implement the tax-saving opportunities that exist for each association with which we work. Accordingly, we will prepare and file the Association's corporate income tax returns each year and provide relevant and timely tax advice as needed.

**Other Consulting Services**

We will assist you in the preparation of the Association's annual budget. We believe the budgetary process will require us to become very involved with the Association's Board of Directors in order to ensure a plan that reflects the Association's fiscal goals and objectives. With our significant experience in providing accounting, auditing, and tax services to numerous homeowners associations, we are equipped with the industry knowledge and experience to advise the Association on budgetary matters, especially those involving reserve funds and income tax compliance issues.

**Annual Audit Preparation Services**

Since we will not be independent with respect to the Association, we will not perform the Association's annual audit, if required. However, we may, at your request, assist the Association in locating a suitable auditor. Furthermore, since we have a thorough knowledge of the auditing standards and requirements applicable to homeowners associations, we can provide a great deal of assistance to the auditor in the way of audit schedule preparation, audit report drafting, and other services deemed appropriate by the independent auditor. Our knowledge of this unique industry will help to ensure an efficient and timely audit at substantially reduced fees.

*Fees:*



**We know that  
HEB Business  
Solutions  
will provide  
accurate,  
timely, and  
cost-efficient  
services for  
Hideaway  
Valley.**

As an investment in a long-term relationship with your organization, and assuming the Association's accounting records are in good order, we will absorb the start-up costs required for us to become familiar with the Association and its governing documents, and to set up its accounts, computerized systems, and accounting processes. If the Association's accounting records that we are provided are not in good order, we will discuss the matter with you and agree upon a fee that will be necessary to bring the Association's accounting records into compliance with industry standards. Also, John Boekweg's time for attending quarterly board meetings to review financial matters with the Board will be donated.

Our monthly fee for providing all of the above anticipated services, with the exception of annual income tax preparation and consulting, is estimated to be approximately \$600 per month and will also include the preparation and filing of the Association's 1099's and 1096. Our fee for preparing and coordinating the filing of the Association's annual income tax returns will be \$400 for the year ended December 31, 2007.

We will render billings each month as work is performed.

The quoted monthly fee is based on a bundled price. After 60 days, we will meet with you and evaluate the services we have provided to date and assess the need to modify those services and arrive at a new fee, if necessary.

We know that HEB Business Solutions will provide accurate, timely, and cost-efficient services for Hideaway Valley.