

Exhibit 2

Key Decision Factors

Factor	When a Management Company Helps	When Self-Management Might Work
Size of Association	50+ units or annual revenues above ~\$300K	Small associations (under ~25 units)
Complexity	Multiple vendors, amenities, frequent repairs, large budgets, high turnover	Simple operations, few vendors, low maintenance
Volunteer Availability	Few owners willing to volunteer or handle accounting, compliance, collections	Active, skilled board or resident volunteers
Legal & Financial Requirements	Frequent legal issues, complex reserves, large contracts, audit requirements	Minimal contracts, straightforward finances
Member Relations	Frequent disputes, communication breakdowns	Cohesive, cooperative community

Practical Rule of Thumb

Association Type	Recommended Approach
< 20 units	Usually self-managed works fine
20–50 units	Hybrid model (bookkeeping outsourced, board handles ops)
50+ units or revenue > \$300K	Professional management almost always beneficial

In short:

If your HOA or condo association has:

- Over 30 units,
- Annual revenue above \$500K,
- Or a board with limited time or expertise —

then **hiring a professional management company** is typically worth the cost.

If it's small, tight-knit, and has motivated volunteers who understand finances and law, **self-management** can save money and work well.

PLCA has 232 Units and 48 home sites and annual revenue is over 1 million. The arrangement that we have with Vanguard and of paying some employees is industry standard.