

# HOA Community Solutions – Management Agreement

## Poulsbo Place II Owners Association

### 1. Authority

This Agreement is promulgated in accordance with the declarations, covenants, conditions, restrictions, easements and the by-laws of the Poulsbo Place II Owners Association (hereinafter referred to as the “Association”). The governing documents of the ASSOCIATION provide that the elected Board of Directors (hereinafter referred to as the “BOARD”) may engage the services of a professional contractor, and each homeowner (as a member of the ASSOCIATION) shall be bound by the terms and conditions of all agreements entered into by the BOARD.

### 2. Signatories

This agreement is made by and between Poulsbo Place II Owners Association, a Washington nonprofit corporation and HOA Community Solutions, LLC (hereinafter referred to as the MANAGING AGENT).

### 3. Recognition and Acceptance

The ASSOCIATION hereby retains the services of the MANAGING AGENT and the MANAGING AGENT hereby accepts the terms and conditions hereinafter provided, as the exclusive MANAGING AGENT of the ASSOCIATION described by name above and located in Poulsbo, WA (hereinafter referred to as the PROJECT). In this context, the MANAGING AGENT recognizes and accepts the requirements and limitations set forth in the ASSOCIATION’S recorded Declaration of Covenants, Conditions and Restrictions (the DECLARATION).

#### 3.1 Independent Contractor

All services performed by the MANAGING AGENT under the provisions of this *Agreement* and the *Scope of Work Statement* shall be rendered as an Independent Contractor to the ASSOCIATION.

### 4. Powers and Duties

The BOARD may delegate any of its powers and duties to the MANAGING AGENT; provided, however, the BOARD when so delegating shall not be relieved of its responsibilities as specified in the ASSOCIATION’S governing documents; and provided further, any such delegation shall comply with RCW 64.38 and RCW 24.03. Notwithstanding, these provisions, the MANAGING AGENT shall manage the PROJECT to the extent, for the period, and upon the terms of this agreement.

### 5. Communications

When made aware of any urgent or extraordinary situation, event, or circumstance that would, by reasonable interpretations, substantially affect the ASSOCIATION, the MANAGING AGENT shall promptly notify the BOARD by the most appropriate means. Otherwise, the MANAGING AGENT shall inform the BOARD President as to the routine administration of the PROJECT, through regular teleconferences with the BOARD President.

### 6. Designated Contact

The MANAGING AGENT shall designate a specific individual as the primary Contact for the ASSOCIATION. Likewise, the BOARD shall designate one of its officers who shall be authorized to deal with the MANAGING AGENT on any matter relating to the management of the ASSOCIATION. In the absence of any other designation by the BOARD, the President of the BOARD shall have this authority.

## **6.1 Restrictions**

The MANAGING AGENT shall not accept directions or instructions with regard to the management of the ASSOCIATION from any individual Homeowner (other than the designated BOARD member).

## **7. Files and Records**

The MANAGING AGENT shall be the custodian of the ASSOCIATION'S financial records and documents, to include routine correspondence, tax files, insurance policies, accounting books, computer data, and other papers or certificates which might reasonably accumulate on behalf of the ASSOCIATION.

### **7.1 Ownership and Inspection**

All such files and records shall be the property of the ASSOCIATION and shall be available for examination and copying by authorized persons during regular business hours. However, original copies of said files and records shall not be removed from the MANAGING AGENT'S place of business without written consent from and prior arrangement by the BOARD.

### **7.2 Storage of Records**

The MANAGING AGENT will store one box of files for the ASSOCIATION at the MANAGING AGENT'S place of business. Additional boxes of materials can be stored at an off-site storage unit at a cost of \$5.00 per box per month. Should an owner need access to the materials in storage, MANAGING AGENT will provide access. ASSOCIATION is not required to use the additional storage and may opt to store archived boxes in another location if they do not wish to pay the storage fee.

## **8. Assessments**

The MANAGING AGENT shall receive and receipt all assessments and other monies payable to the ASSOCIATION by the Homeowners, whether the assessments are payable annually, quarterly, monthly or as special assessments, fines, interest, attorney's fees, court costs or other funds. The MANAGING AGENT shall also be responsible for providing delinquency reports to the BOARD and for taking collection action in accordance with the ASSOCIATION'S Collection Policy. In the event legal action is necessary, MANAGING AGENT shall be the ASSOCIATION'S contact with legal counsel.

### **8.1 Delinquencies**

The MANAGING AGENT shall post to the account of any Homeowner the appropriate late fee and interest charge (as specified in the ASSOCIATION'S governing documents, resolutions and policies) for payments received after the specified grace period. MANAGING AGENT charges a lien notice fee when a notice of intent to lien is mailed to the owner. This fee is also billed against the homeowners account and is payable to the ASSOCIATION when collected. (Exhibit A)

### **8.2 Collection Fees**

All costs incurred in the collection process (e.g. attorney's fees, filing fees for court documents, etc.) shall be paid by ASSOCIATION. The MANAGING AGENT shall keep an account of such charges, fees and costs so that they may eventually be collected from the Homeowner on behalf of the ASSOCIATION.

### **8.3 Document and Transfer Fees**

Lender questionnaires, resale certificates, ASSOCIATION legal documents, escrow demands and similar document requests are handled through a third-party provider, such as CondoCerts and Homewise Docs. The third-party vendor charges a fee for their services directly to the party requesting the documents. The third-party vendor will provide the ASSOCIATION'S legal documents to a current homeowner at no charge to the homeowner.

Additionally, the third-party vendor will collect the transfer fee charged at the close of escrow by the MANAGING AGENT. At no time shall the ASSOCIATION be responsible for the transfer fee or any fees charged by the third-party company. (Exhibit A)

## **9. Bank Accounts**

All monies collected by the MANAGING AGENT on behalf of the ASSOCIATION shall be deposited in bank accounts insured by the FDIC. ASSOCIATION funds shall always be kept separate and apart from the MANAGING AGENT'S own funds.

## **10. Disbursements**

The MANAGING AGENT shall pay when due from the funds collected and deposited in the accounts under the name of the ASSOCIATION all charges, taxes, fees, invoices, premiums and such other obligations incurred by the ASSOCIATION as operating expenses with respect to the maintenance or operation of the PROJECT, or incurred by the MANAGING AGENT on behalf of the ASSOCIATION (to include the specified monthly management fee and reimbursement for monthly supplies and postage as per the attached rate sheet), and any other compensation due and payable to personnel and contractors as herein provided, pursuant to the terms of this agreement and the direction of the BOARD.

### **10.1 Reserves**

After disbursement is specified above, any balance remaining in the ASSOCIATION'S operating account may, from time to time, be transferred to a separate interest-bearing reserve account, certificate of deposit, or other savings plan, but only as specifically directed by the BOARD and by virtue of any existing reserve policy of the ASSOCIATION.

## **11. Monthly Financial Statements**

The MANAGING AGENT shall render to the ASSOCIATION a statement of income and expense, current budget detail and proof of bank statements and aging receivables. As a standard practice, a copy of this financial statement shall be furnished to the designated BOARD member on a monthly basis, and to any other homeowner who so requests.

## **12. Financial Review**

The ASSOCIATION'S records, books and accounts should be reviewed periodically as required by law and as determined by the BOARD, at the expense of the ASSOCIATION.

### **12.1 Tax Returns**

Tax returns as required by law shall be prepared and filed and should be retained by the ASSOCIATION.

## **13. Annual Budget**

The BOARD, with input from the MANAGING AGENT, shall prepare an annual budget for the ASSOCIATION, reflecting anticipated receipts and disbursements for the new fiscal year, based upon the current or proposed schedule of regular assessments. The MANAGING AGENT shall work with the BOARD to make any adjustments in the budget that are determined to be appropriate or necessary. The final version of the annual budget shall be approved by the BOARD and submitted to the ASSOCIATION'S general membership for ratification at the annual meeting, in accordance with the procedures set forth in the DECLARATION, bylaws and RCW 64.38.025.

### **13.1 Control**

The approved annual budget shall constitute a major control under which the MANAGING AGENT shall operate and there shall be no substantial variances there from, except such as may be sanctioned by the BOARD or resulting from extraordinary emergency circumstances. Otherwise, no expenses or liabilities (direct or contingent) may be incurred, or commitments made, by the MANAGING AGENT in connection with the maintenance or management of the PROJECT in excess of the approved budget without the prior consent of the BOARD.

## **14. Corporate Reports**

The MANAGING AGENT shall prepare and file all corporate reports, and any other forms or certificates required by law or statute and promptly supply a copy of each to the BOARD. Any taxes, fees or other costs directly associated with these requirements shall be charged to, or reimbursed by, the ASSOCIATION.

## **15. Indemnity**

The ASSOCIATION shall indemnify, defend and save the MANAGING AGENT and its officers, directors, employees and agents, harmless from all claims asserted by third parties and arising out of the course of its duties performed pursuant to the terms of this Agreement, except where the claims arise as a result of the MANAGING AGENT'S breach of this agreement or the willful or negligent conduct of the MANAGING AGENT, its officers, directors, employees or agents. The ASSOCIATION shall carry general liability insurance pursuant to Washington law and the terms of its governing documents and shall name the MANAGING AGENT, its officers, directors, employees and agents as additional insured's under the policy. The ASSOCIATION'S indemnification obligation under this paragraph shall include payment of all settlements, judgments, damages (liquidated or otherwise), penalties, forfeitures, court costs, litigation expenses, attorney's fees, and other reasonable fees, incurred by the MANAGING AGENT in defending or resulting from any claim covered by the foregoing indemnity.

The MANAGING AGENT shall indemnify, defend and save the ASSOCIATION and its officers, directors, employees and agents, harmless from all claims asserted by third parties and arising from the MANAGING AGENT'S breach of this agreement or the willful or negligent conduct of the MANAGING AGENT, its officers, directors, employees or agents.

### **15.1 Compliance of the Association**

The MANAGING AGENT shall have no responsibility for the compliance of the ASSOCIATION or any of its equipment with the requirements of any ordinances, laws, rules or regulations (including those relating to the discharge of solid, liquid, or gaseous wastes) of any governmental or municipal agency, or any public authority or official thereof, having jurisdiction over it, except to notify the BOARD promptly of any complaints, warnings, notices or summonses received by the MANAGING AGENT relating to such matters. The BOARD represents that to the best of its knowledge, the ASSOCIATION complies with all such requirements, and the BOARD authorizes the MANAGING AGENT to disclose the ownership of the ASSOCIATION to any such officials, and agrees to indemnify and hold harmless the MANAGING AGENT, its representatives, servants, and employees of and from all loss, cost, expense, and liability whatsoever which may be imposed on any of them by reason of any present or future violation or alleged violation of such laws, ordinances, rules, or regulations.

### **15.2 MANAGING AGENT'S Right to Cancel**

In the event it is alleged or charged that the ASSOCIATION or any act or failure to act by the BOARD with respect to the ASSOCIATION or the hiring of employees by the ASSOCIATION to manage the ASSOCIATION fails to comply with, or is in violation of, any of the requirements of any constitutional provision, statute, ordinance, law, or

regulation of any governmental body or any order or ruling of any public authority or official thereof having or claiming to have jurisdiction there over, and the MANAGING AGENT in its sole and absolute discretion considers that the action or position of the BOARD with respect thereto may result in damage or liability to the MANAGING AGENT, the MANAGING AGENT shall have the right to cancel this agreement at any time by written notice to the BOARD of its election to do so, which cancellation shall be effective 30 days following the service of such notice. Such cancellation shall not release the indemnities of the parties set forth in the paragraphs above, and shall not terminate any liability or obligation of the BOARD to the MANAGING AGENT for any payment, reimbursement, or other sum of money then due and payable to the MANAGING AGENT hereunder.

### **15.3 ASSOCIATION's Right to Cancel**

In the event the ASSOCIATION determines, in its sole and absolute discretion to terminate this agreement, the ASSOCIATION shall have the right to cancel this Agreement by giving written notice to the MANAGING AGENT of its election to do so, which cancellation shall be effective 30 days following the service of such notice.

## **16. Compensation**

The compensation to which the MANAGING AGENT shall be entitled, for basic services performed under this Agreement is \$375.00 per month. Payments shall be paid on the first day of each month following the previous month's service. All materials and services necessary for the production of such notices or mailings, such as paper stock, envelopes, letterhead stationery, the cost of printing and duplication, cost for required postage shall be at the expense of the ASSOCIATION. To achieve optimal cost savings, a third party mail house will be used whenever feasible for mailings. (EXHIBIT B)

### **16.1 One-time Set Up Fee**

HOA Community Solutions will map homeowner contact records into its software and banking system. Account numbers shall be assigned to the homeowners in reference to their general assessment/dues account. There shall be a one-time fee of \$200.00 for the HOA Community Solutions staff accountant to set up the initial financial records in its software and banking system.

## **17. Terms**

This Agreement shall be in effect commencing on September 1, 2017, with provisions for termination as follows:

### **17.1 Renewal or Termination**

This Agreement shall continue for a period of twelve months from the commencement date entered above, provided however that this Agreement may be terminated without cause by the BOARD or MANAGING AGENT, upon the last day of any calendar month, if either party serves the other with a written Notice of Termination thirty (30) days in advance. Upon termination, the parties to this Agreement shall account to each other with respect to matters outstanding as of the date of termination.

## **18. Definitions**

Words used in this Agreement shall have the meanings set forth in the Declaration of Covenants, Conditions and Restrictions of the ASSOCIATION.

## **19. Benefit**

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective legal representatives, successors and assigns. Notwithstanding the preceding sentence, the MANAGING AGENT shall not assign its interest under this Agreement without the prior written approval of the ASSOCIATION. In the event that the MANAGING AGENT shall sell his/her company, the MANAGING AGENT must provide the ASSOCIATION 30-day's notice of

such sale in order to be released from all liability hereunder without an amount equal to 2 months of the MANAGING AGENT'S fee being assessed as a penalty against the MANAGING AGENT for failure to provide timely notice of termination of this Agreement.

**20. Notice**

Any notice required or permitted to be served hereunder may be served by certified mail or in person as follows:

**20.1** MANAGING AGENT: HOA Community Solutions – P.O. Box 364 – Gig Harbor, WA 98335

**20.2** If to the ASSOCIATION, said notice or mail shall be delivered to the private residence of the President of the BOARD, serving the ASSOCIATION at that point in time. If for any reason the ASSOCIATION'S President is not available to receive such notice or correspondence, then said notice or mail shall be delivered to the next Board Member in succession.

**20.3** Either party may change the address for notice by notifying the other party. Such changes shall not require or constitute a change to the Agreement. Notice served by mail shall be deemed to have been served when deposited in the mail.

**20. Entire Agreement**


This Agreement shall constitute the entire Agreement between the contracting parties, and no variances or modifications thereof shall be valid and enforceable, except by supplemental agreement in writing, executed and approved in the same manner as this Agreement.

**21. Invalid Provision**

Should any provision of this Agreement be declared invalid by any court of competent jurisdiction, the remaining provisions hereof shall remain in full force and effect.

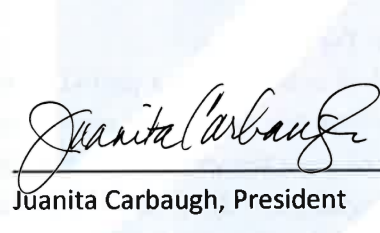
**ASSOCIATION:**

**Poulsbo Place II Owners Association**

  
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Nathaniel Sargent, Treasurer                      Date                      14 AUG 17

**MANAGING AGENT:**

**HOA Community Solutions**

  
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Juanita Carbaugh, President                      Date                      August 16, 2017