

***Managing Happiness for Community Associations,  
Homeowners and Their Board of Directors***



**PROGRESSIVE  
ASSOCIATION  
MANAGEMENT**

**By Elevating the Experience for our Boards and Owners,  
We Become the Most Trusted Management Company  
in Southern California.**

## Contents

1. RECITALS .....	3
2. DEFINITIONS .....	3
3. TERM .....	3
4. COMPENSATION .....	3
5. DUTIES OF MANAGER .....	3
6. ASSOCIATION'S OBLIGATIONS.....	11
7. ENFORCEMENT OF DECLARATION .....	12
8. INTEREST AND UNPAID SUMS.....	13
9. MANAGER'S COMPENSATION.....	13
10. MANAGER'S OTHER SERVICES.....	13
11. TERMINATION .....	13
12. ASSIGNMENT OF RIGHTS AND OBLIGATIONS .....	14
13. INDEMNIFICATION .....	14
14. REPRESENTATIONS AND WARRANTIES SURVIVE TERMINATION.....	15
18. COMPLETE AGREEMENT .....	16
19. RIGHTS CUMULATIVE; NO WAIVER.....	16
20. AGREEMENT BINDING UPON SUCCESSORS AND ASSIGNS .....	17
21. APPLICABLE LAW AND PARTIAL INVALIDITY .....	17
22. NOTICES .....	17
23. CONFIDENTIALITY.....	17

### **Exhibits:**

*Exhibit A - Schedule of Services Included in Base Fee*

*Exhibit B - Schedule of Fees/Costs in Addition to Full Service*

*Exhibit C - Schedule of Fees/Costs to Seller, Buyer & Third Party*

*Exhibit D – Performance Guarantees*

## Association Management Agreement

### 1. RECITALS

THIS ASSOCIATION MANAGEMENT AGREEMENT (the "Agreement") is made and entered into this **DAY** of **MONTH, YEAR** ("Effective Date") for an initial term through the last day of the **MONTH, YEAR** by and between Progressive Partners, Inc. (herein "Manager") dba Progressive Association Management, and **HOA NAME**, a California non-profit corporation (herein "Association") for services rendered in connection with the community association located at **HOA ADDRESS** (herein "Property"). "Association" shall mean a corporation formed under the California State Corporations Code, or an unincorporated California Association, its successors and assigns.

WITNESSETH

**WHEREAS**, Manager is engaged in the business of managing Common Interest Developments.

**WHEREAS**, pursuant to the governing documents of the Association (the "Declaration") and applicable law in effect at the time of the initial Agreement, the owners ("Owners") delegate the authority to manage the Association to an elected Board of Directors of a not-for-profit corporation organized by the Owners (the "Board"); and

**WHEREAS**, the Board, acting on behalf of the Association and in accordance with its authority, desires to contract certain services from Manager to assist with the management of the Agreement, the Manager desires to provide said services to assist with the management of the Association in accordance with California law in effect at the time of the initial Agreement, the approved budget adequate to meeting the outcomes and stated objectives of the Board, and duly adopted policies in effect at the time of the initial Agreement.

**NOW THEREFORE**, in consideration of the terms, conditions, promises and other good and valuable consideration hereinafter set forth, it is agreed by and between the Association and Manager, as follows:

### 2. DEFINITIONS

All defined terms used herein shall have the meaning assigned to such terms in this Agreement. Any term not otherwise defined herein shall have the meaning assigned to such term in the Declaration and Bylaws for **HOA NAME** ("Declaration").

### 3. TERM

Subject to provisions for termination hereinafter provided, such agreement shall become effective **MONTH DAY, YEAR** and shall continue until **MONTH DAY, YEAR** (the "Initial Term"). This Agreement shall continue after the Initial Term for successive one-year terms, unless Association or Manager shall notify the other in writing of its intention to terminate this Agreement pursuant to the Termination clause as set forth within this Agreement.

### 4. COMPENSATION

The Association agrees to pay Manager fees as set forth in Exhibit B, Schedule of Fees in Addition to Full Services, which may be amended with notice from Manager to Association.

### 5. DUTIES OF MANAGER

Manager shall, in accordance with state and federal law and at the direction of and pursuant to the authority, policies, and adequate approved budget of the Board, assist with the management of the Association and Property and provide its services per the terms and conditions provided in this Agreement.

Association hereby gives the Manager the express authority and powers required to perform these services. Additional services may be requested of Manager subject to acceptance by Manager and per Exhibit B. Primary duties shall include:

**A. PHYSICAL MANAGEMENT**

**SITE REVIEWS.** Manager will review the Property for potential violations of the governing documents and take action in accordance with California law and the Association's Rules Enforcement policy in effect at the time of this agreement.

**COMMON ELEMENT MAINTENANCE.** Manager shall cause the common elements of the Property to be maintained according to appropriate standards of maintenance consistent with the character of the Property and consistent with the Association's budget and available funds, and vendor contracts approved by the Association. Review the site for general condition, from ground level, using the standards of an average observer and confirm vendor performance of the board's objectives. Management shall not be required to identify all potential liabilities or conditions that are beyond the expertise of Management. Management will not review the Common Area to identify liability threats, such as, but not limited to, trip/slip and fall risks, safety risks (e.g., falling trees, tree branches, etc.), structural defects or threats, etc. Reviews will be performed as part of the included number of site visits included in Exhibit B. Additional reviews can be performed according to fees outlined in Exhibit B.

**VENDOR MANAGEMENT.** Manager to act as communication liaison between Boards, owners and vendors after vendor contracts are executed by the Association to receive incoming work orders, create a system to record and dispatch appropriate vendor, approve expenses per the budget, and pay vendor invoices. Pursuant to California Civil Code Section 5375.5 Manager shall disclose to the Association all potential conflicts of interest presenting the Association with a vendor's bid/contract for consideration. Other entities, which may be periodically disclosed through an amendment to the management agreement or made available on Manager's website. This commitment ensures transparency and adherence to industry standards regarding business relationships maintained by the Manager.

Manager shall cooperate and assist professional consultants retained by the Board for specialized functions such as legal, accounting and other services. Said services may be subject to compensation per Exhibit B. Pursuant to California Civil Code section 5375.5, Manager shall disclose to the Association all potential conflicts of interest when presenting the Association with a vendor's bid/contract for consideration.

**BIDS AND PROPOSALS.** The Board may request up to three written estimates for any expenditure over three thousand five hundred dollars (\$3,500) unless the expenditure is included in an updated reserve study approved by the Board. For work estimated over \$3,500, the board shall determine if specifications are necessary prior to bid and, if so, will provide specifications prior to going to bid. Specifications requiring licenses, advanced education, specific job experience, will be developed by the appropriate professional for the board's review at the expense of the Association. For additional bid requests over three, the Association shall incur an additional cost payable to Manager per Exhibit B per bid exceeding the initial three bids. This fee covers the Manager's increased administration burden of obtaining and preparing information for these bids.

An independent third party may be used to generate requests for proposals from qualified vendors based on the specifications provided by the board at no expense to the Association.

**PROJECT COORDINATION.** In the event the Association requests Manager to participate (e.g. solicit bids and coordination with contractor) in the coordination of construction, remodeling or contracting of any project totaling over \$25,000, the Association shall pay Manager a project coordination fee defined in Exhibit B. Fee

may be reduced if the board elects to use a third-party project manager. Board shall be notified in advance of any additional charges levied under this section.

**VENDOR INSURANCE AND LICENSURE.** An independent third party may be used to validate vendor qualifications, licensure, and insurance coverages at the expense of the vendor prior to issuing any payments.

## **B. ADMINISTRATIVE MANAGEMENT**

**MEETINGS.** Manager agrees to provide a representative to attend Board meetings upon request and agreement of Manager per the number included in Exhibit B. Agreed upon virtual or in person Meetings shall commence no later than 6 PM Pacific Time Monday through Thursday, excluding holidays. Manager attendance shall not exceed two hours in length or Association shall pay additional compensation at a rate per Exhibit B. Meetings cancelled with less than 72 hours' notice will either be charged according to Exhibit B or count towards the allotted number of included meetings. Manager will record the minutes of the meeting per Exhibit B. Additional meetings are charged according to Exhibit B. Manager shall produce and deliver a Board package at least five (5) days prior to each Board meeting. Manager shall include and maintain current all minutes. Minutes originated by the Manager shall be kept in electronic format.

**NOTICES.** At the direction of the Board, the Manager shall cause notices of Unit Owners' meetings and proxies to be sent or delivered to the Owners.

**ASSOCIATION RECORDS.** The Manager shall maintain records of ownership provided Manager is made aware of changes in said list in writing by notification from new or former homeowners, real estate brokers, escrow or Board members. Said changes shall be made at no cost to the Association; a reasonable charge may be made to the homeowner. If the Governing Documents of the Association indicate tracking of leases or if the Board seeks an amendment for leasing restrictions, and if the Association is a 55+ community with residence tracking for compliance, these are considered additional management and is outside the contract.

Manager shall retain all Association financial records, including those used in preparation of any audit, review, or compilation, for a period of not less than seven (7) years, in accordance with California Civil Code §5210.

**RECORDS INSPECTION.** Except for materials designated as confidential by the Board, all books and records maintained either at the Association's offices or in Manager's offices shall be made available for inspection by any and all members or their authorized representatives, upon reasonable notice, during normal business hours as required by the Davis-Stirling Act and management fees for custodian of records, for assembling, locating, and copying records are charged according to Exhibit B. Access to confidential materials shall be allowed only by written authorization of the Board.

**CORRESPONDENCE.** Manager shall receive and review Association correspondence and shall prepare and send such correspondence as may be appropriate. Manager shall create and maintain a separate file entitled "Attorney Correspondence/Documents" containing all correspondences and other documents prepared by the Association's general counsel. Said file shall be available to the Board of Directors upon request. At no time shall any of the documents contained in the Attorney Correspondence/Documents file be disclosed to members of the Association or third parties without the prior written consent of a majority of the Directors and Legal Counsel.

**ARCHITECTURAL ADMINISTRATION.** Manager shall receive applications for proposed architectural applications which shall be submitted to an Association committee or the Board for approval.

**OFFICE HOURS & AFTERHOURS EMERGENCY LINE.** Manager shall maintain normal office hours Monday through Friday (except holidays) for communications related to Association business. Manager has established an emergency system for communications available during non-business hours which may be

changed upon written notice to the Association (the "Emergency Line"). Emergencies include but are not limited to broken water pipes, electrical failures, fires, gas leaks, leaks, loss of utilities, personal injury, property damage and sewer backups. In the case of a fire or police emergency 911 should first be called immediately. Manager will make every effort to assist based on availability of resources but is not responsible for natural disaster/or storm preparations. In the event of a natural disaster, Manager's Emergency line and/or Manager may not be available.

**INSURANCE.** Manager shall maintain appropriate records of all insurance coverage recommended by a licensed, experienced community association insurance advisor/broker and carried by the Association. Additionally, Manager shall cooperate with the Board, adjusters, affected homeowners, vendors, and counsel in investigating and reporting all accidents or claims for damage relating to the ownership, operation, and maintenance of the common elements of the Property and elements for which the Association is responsible. Annually, Manager shall cause the Board to review the Association insurance coverage with experienced community association insurance specialists and make recommendations consistent with the Declaration and state law and assist the Board in obtaining proposals and placing such insurance. The Board shall be solely responsible for all risk management concerning the Association, including selecting or determining required coverage, policy type, deductible amounts and policy coverage amounts. The Board is required and responsible to verify coverage and provide Manager with certificates of insurance pursuant to the Indemnity and Liability section of this Agreement. Manager shall prepare and distribute to the Owners, a summary of Association's insurance coverage as required by Civil Code §4525.

**INSURANCE CLAIMS PROJECT COORDINATION.** Management fee outlined in Exhibit B applies to the total value of the loss which includes emergency response, coordination with insurance company, coordination with adjusters, coordination of counsel, arbitrators, recovery agencies, coordination with association members, facilitate the development of scope of work by appropriate specialists, facilitate the monitoring of restoration work with appropriate specialists, accounting and managing claims funds and distributions.

### **C. FISCAL MANAGEMENT**

**ASSESSMENT COLLECTIONS.** Manager shall invoice, attempt to collect, and account for all monthly or other assessments and other charges due the Association for the operation of the Property; provided, however, that the Manager shall have no responsibility for collection of delinquent assessments or other charges except, on behalf of the Association, preparing delinquency notices required by the Association's approved assessment collection policy. If requested, Manager shall provide remittance coupons or statements in accordance with the adopted budget prior to the start of the fiscal year per Exhibit B. Manager shall cooperate with Association's legal counsel or collections professional, providing necessary information for collections. Manager's services in connection with assessment and related collections for the Association are incidental to its obligations to the Association pursuant to this Agreement and, under no circumstances, is Manager acting in the capacity of a debt collector.

**POLICIES FOR ENFORCING ASSESSMENTS.** Manager, on an annual basis, shall distribute the Association collection policy, which may be revised from time to time as California law changes or collection methods are found that improve receipts. A fee outlined in Exhibit B shall be charged to the Association and added to each delinquent account sent a notice which shall be by first class certified mail. In accordance with the collection policy, a "Notice of Delinquent Assessment" shall be prepared by Manager and recorded in the county office containing the property. To cover cost of title verification, drawing and notary of document, recording fee and mailing a copy of the recorded document, a fee as outlined in Exhibit B and actual recording and postage costs shall be charged to the Association and added to the delinquent account.

The Association, by acceptance of this contract, may authorize the Manager to prepare, sign, and record a "Notice of Delinquent Assessment" on its behalf. Once such "Notice" has been recorded, unless Association directs otherwise, the delinquent account shall be assigned to collection.

**BUDGET PREPARATION AND APPROVAL BY ASSOCIATION.** Each year Manager shall assist in the preparation of a pro forma operating budget as required by Civil Code §5300(b)(1) for the Association for the next fiscal year referencing anticipated income and expenses for that year, known mandatory expenses, and Board stated discretionary expenses so that it is available to the Board not less than ninety (90) days prior to the beginning of the Association's fiscal year. Manager shall distribute to members copies of the Board approved pro forma operating budget not less than thirty (30) days or more than ninety (90) days prior to the beginning of the Association's fiscal year. Manager shall also prepare the Annual Budget Report as required by Civil Code §5300 and the Annual Policy Statement as required by Civil Code §5310. Manager will provide the Board with access to experienced reserve professionals to recommend and provide a reserve funding allocation for the replacement of capital assets of the association if any. Reserve funding if any will be part of the approved budget of the association, the adequacy of the funding shall be determined by the Board. Manager is not responsible for failure of the Association to follow recommended reserve funding levels for communities of similar type and amenities. Adoption of the annual budget by the Association's Board of Directors shall constitute an approval of a Base Fee change under this Agreement.

**FINANCIAL STATEMENTS.** The Manager shall furnish to the Board copies of the Association's financial statements, prepared on an accrual basis, of all receipts and disbursements, showing Assessments and other cash receipts, grouping by category of all disbursements, net gain or loss and cash on hand by the 20<sup>th</sup> of the month or quarter. Manager will also provide monthly reports allowing the Board to comply with the monthly financial review required by Civil Code §5500. Required Monthly Reports Include: Bank Reconciliations for all accounts, Bank Statements for all accounts, General Ledger (showing all transactions), Delinquency Reports (accounts receivable), Budget-to-Actual Comparison (current YTD), Income & Expense Statements (P&L), Reserve Account Balances and Activity, Check Register / Disbursement Summary.

Any third-party report required by the Association shall be prepared at the Association's expense by an auditor(s) of its selection. Additional charges for this are defined in Exhibit B.

**ASSOCIATION ACCOUNTS.** All monies collected by Manager on behalf of the Association shall be held in one or more bank accounts (separate and apart from Manager's own funds and all of its other clients' funds) which account(s) shall be in a state or national bank who is a member of the Federal Deposit Insurance Corporation, or a similar governmental agency. All interest earned on Association accounts shall remain Association funds. All expenses of operation and management may be paid or reimbursed from the Association's funds, and Manager is authorized to pay from Association funds any amounts owed to the Manager and Association vendors on behalf of the Association by the most efficient means possible including, without limitation, Manager's management fee and any Exhibit B items from such account at any time without prior written notice to the Board. Manager shall have no obligation to advance funds to the Board or Association for any purposes whatsoever.

Manager has the authority to open and maintain certain bank accounts in the name of the Association at the financial institution of the Manager's choosing, who shall be a member of the Federal Deposit Insurance Corporation. Certain representatives of Manager, and at the discretion of Manager, shall be signers on Association banks accounts and shall have the authority to withdraw funds and sign checks pursuant to authorizations in this Agreement or subject to CC&R limits. All Association bank accounts established and maintained by Manager shall be defined pursuant to California law as operating or reserve accounts. The



Association may, at its discretion, maintain two reserve accounts separate from the operating and primary reserve money market account(s) maintained by Manager. Additional accounts maintained by Manager will be subject to a monthly fee as defined in Exhibit B. Should the Board choose a financial institution for reserve investments where Board members are the only authorized signer, the Board will be responsible for account opening and closing, making deposits and withdrawals, and obtaining bank statements in a timely manner.

**ASSOCIATION EXPENSES.** Pursuant to this Agreement, Manager has authority to spend association's funds up the amount stipulated in Exhibit B for any non-contracted expenditure per occurrence without further approval from the Association or Board Association authorizes Manager to dispatch and pay any reasonable expenditure which is necessary or required because of danger to life or property, or which is immediately necessary for the preservation and safety of the Property or the safety of the Owners, members and occupants thereof, or if required to avoid the suspension of any necessary service to the Association. Manager shall, however, as soon as reasonably possible, notify Board concerning any such expenditure.

**UTILITIES, TAXES AND OTHER CONTRACTED SERVICES OR MANDATORY EXPENSES.** In accordance with the approved budget and at the request of the Board, Manager shall pay from Association funds for contracted services, improvements, maintenance, utilities, and repairs, as well as contracts for water, electricity, gas, telephone, taxes, and other services for the common elements of the Property as may be necessary. All such contracts shall be in the name and at the expense of the Association. Manager shall maintain copies of all contracts to which the Property and Association are a party. The Association agrees that with no further action from the Board, Manager may pay the Association's master association obligations and utilities via electronic payment methods including but not limited to e-Pay. Automatic payments may include but are not limited to emergencies, insurance premiums, approved service contracts, Management Costs, Management Fees, Management Fees, taxes, and utilities.

**TAX RETURN, REVIEW & AUDIT PREPARATION.** At the conclusion of the Association's fiscal year, records maintained by the Manager shall be made available to an independent Certified Public Accountant for an audit and preparation of tax returns. The accountant's fee shall be borne by the Association. Manager shall make records available for examination by authorized persons(s) other than a Certified Public Accountant or Association Board Member for a fee as outlined in Exhibit B, payable at the time of examination. It shall be the responsibility of the Board of Directors to select and engage a Certified Public Accountant to perform the Annual Financial Review or Audit and prepare the Association Federal and State year-end income tax returns.

**RESERVE STUDY.** Association shall schedule and coordinate preparation of a periodic reserve study required by Civil Code §5550.

#### **D. RELATIONSHIP OF MANAGER TO ASSOCIATION.**

Manager is engaged independently in the business of community association management and acts hereunder as an independent contractor. This Agreement does not constitute a sharing of the Board's fiduciary responsibilities in managing the day-to-day business of the Association, which responsibilities belong solely and exclusively to the Board. Nothing contained in this Agreement shall be construed as creating a partnership, joint venture, or any other relationship between the parties, or as requiring Manager to bear any portion of losses arising out of or connected with the Association or operation of the Association. Manager does not warrant the financial performance of the Association. Manager shall not, at any time during the term of this Agreement, be considered a direct or indirect employee of the Association. The Association agrees to assume all financial risks associated with operating the Association, and it is agreed that Manager has no responsibility for compliance by the Association with respect to the requirements of any ordinances, laws, rules or regulations now or in the future (including those relating to disposal of solid, liquid, and gaseous wastes, fair employment, labor laws, fair credit reporting, environmental protection, rent control, taxes, or fair housing, including, but not limited to, any law prohibiting or making illegal



discrimination on the basis of race, sex, creed, color, national origin, or mental or physical handicap) of the city, county, state, or federal government, or any public authority, or any official of any government having jurisdiction over it, except to notify the Board promptly, or forward to the Board promptly, any complaints, warnings, notices, or summonses it receives relating to these matters. Except for the negligence and/or willful misconduct and/or omission of Manager, and/or Manager's principals, executive employees, staff and/or Independent Contractors, the Association agrees to hold Manager harmless, pay all attorneys' fees and costs, management fees, and any settlements, judgments, damages, penalties forfeitures, or awards, in connection with any and all claims arising prior to, during, or following Manager's management of the Association.

#### **E. RELATIONSHIP BETWEEN MANAGER AND INDIVIDUAL OWNERS.**

It is understood and agreed that, pursuant to this Agreement, Manager has no obligation, authority, or responsibility for maintenance of or repairs to individual residences in the Association, or services that directly benefit the Owners of the Association. Maintenance and repairs within a residence shall be the sole responsibility of the Owners, individually; provided however that Manager, at Manager's sole discretion may process requests for work within an individual residence and charge the Owner of the residence for said repairs.

**DISPUTES AND DIFFERENCES.** Manager has no responsibility to mediate any differences between Owners or Tenants residing at the Property and/or a unit Owner and the Board including, but not limited to, claims of property damage.

**THEFT OR DAMAGE.** The Board agrees to indemnify, defend, and hold harmless Manager for the theft or damage of any personal property of Owners, Tenants, Guests or third-party vendors, other than such theft or damage caused by or arising from the negligence and/or willful misconduct and/or omission of the Manager, and/or Manager's principals, executive employees, staff and/or Independent Contractors.

**INFORMATION PROCESSING.** Upon reasonable notice from an Owner, Manager shall provide escrow holders information and documents requested in writing as required by California Civil Code §4525. Manager will charge fees for services rendered per Exhibit C. The Association shall not be responsible for fees associated with documents not purchased by the seller, as stated in California Civil Code section 4530(d). Manager shall be required to disclose whether or not it, or any employee of the Manager, receives a referral fee or monetary Manager benefit from a third-party document provider distributing documents pursuant to California Civil Code sections §4528 and §4530.

#### **F. SECURITY**

Manager shall not have the obligation or responsibility to provide any security, including but not limited to cameras and other devices, signage, security services, or any other item or service that would provide security or a sense of security to Owners, the Community, or its residents or other; and, any such obligation or responsibility shall be the sole responsibility of the Board and Association. Upon request by the Board, Manager shall consult with companies concerning restricted access, gate management, or security services, and shall assist in effecting any policies concerning security, or security services, as may be adopted by the Board. However, principals, executive employees, staff and/or Independent Contractors Manager, by way of this Agreement, is fully indemnified by the Association against any and all loss, cost, expense (including attorneys' fees and management fees), liabilities, suits, claims, damage inquiries, fines, or the like of any and every kind, nature and description whatsoever arising from, or in any way relating to, security (or lack or insufficiency of security) for the Property. Restricted access devices or systems shall not be construed as providing a higher level of security than if none of the systems existed.

## **G. MISCELLANEOUS.**

**PERFORMANCE GUARANTEES.** Exhibit D outlines the disclosure regarding the limitations and responsibilities of Manager with regards to the Performance Guarantees. All the guarantees are included with the base management fee agreed to by the Association.

**EMPLOYMENT OF PERSONNEL.** On the basis of the budget, job standards, and wage rates approved by the Board, Manager shall assist with hiring, discharging, handling payroll, and coordinating with engineers, janitors, maintenance, and other employees needed to service the Property, to maintain the Property, and to make or cause to be made all ordinary repairs and replacements needed to preserve the common elements in their present condition or needed for the operating efficiency of the Property. Personnel shall be employees of the Association and not of Manager. All salaries, taxes, benefits, liabilities, and other expenses payable on account of these employees, or of negotiations with them, shall solely be operating expenses of the Association. The Manager shall charge a payroll-processing fee per Exhibit B as reimbursement for payroll processing expense.

**DISCLOSURE.** This Disclosure is intended to provide Association and its Board of Directors with notice that the following companies are Affiliates or Preferred Vendors of Manager. Progressive Association Management provides services to vendors including financial institutions and makes various services and products at reduced pricing, through its banking and Preferred Vendor programs. These banking services are provided at no cost to the Association or Manager, although Manager may receive fees from vendors and such fees may be shared with Affiliates. Affiliates may also provide services to one another. Through these Affiliates, Manager can offer quality services tailored to its clients' needs at competitive prices that are generally unavailable to Associations not under management by Progressive Association Management.

### **Affiliates:**

- Progressive Property Management, Inc. – Residential management services.
- Sierra Maintenance Services – Property maintenance.
- Partners Real Estate Group – Residential real estate sales.
- NHD Partners – Property disclosure.
- Enterprise Bank & Trust – Financial institution of choice.
- Ally Escrow, Inc. – Escrow settlement services.
- HOASnapshot, Inc. – AI generated reports of associations.
- HOA Bridge – Vendor coordination services.

Any affiliate relationship will be disclosed to the Association at the time of presentation or proposal of services as well as within the final agreed services contract. Except for the placement of the operating bank account, the Association is not required to use the services of these companies as a result of its contractual relationship with Manager. There are other service providers offering similar services and Manager encourages its Associations to solicit proposals to determine the best services and rates available.

**COMMUNITY ONBOARDING.** Manager shall use its best efforts to have all current property vendors establish their relationships with the Association through the Manager. Manager shall not be responsible for late fees charged by vendors incurred as result of incomplete information provided by previous management or as a result of change of Manager. Manager shall be compensated as provided in Section 9 (Exhibit B) for any time spent researching or collecting information needed to perform its duties as outlined in this Section if not provided by previous management in a timely manner. Manager is only responsible for posting the opening owner ledger balances provided by the previous management company or Association and depositing any funds per Section 5 of this agreement. If in the judgment of both Management and the Association additional review or audit work is necessary to accurately represent the Association's financial status, then an additional charge

will apply. Audits which may result from the examination of this information will be at the expense of the Association and may result in a fee per Exhibit B.

**COMMUNITY OFFBOARDING.** The books, records (including, but not limited to contracts, agreements, resident information, architectural files) and accounts maintained by Manager on behalf of the Association shall be the property of the Association. Upon the termination of this Agreement, Manager shall turn over all such items to the new Management for the Association within 30 business days after the last day of the month of such termination, so that Management may prepare a final financial statement for the last month of service hereunder. If any such files are kept electronically, they shall be converted to hard copy form if requested by the Association and at the Association's expense.

## **6. ASSOCIATION'S OBLIGATIONS**

### **BOARD MEMBER DUTIES AND RESPONSIBILITIES.**

- Engage in Lawful Acts. All Board members' actions will comply with the Governing Documents and State law. This requires thoughtful deliberation and input of knowledgeable persons and professionals.
- Maintain High Standards of Conduct. Directors' conduct should be above reproach and always avoid the appearance of impropriety.
- Demonstrate Mutual Respect. Directors and Manager will address each other, property owners, all staff, and vendors with respect, even in the event of a disagreement. Unprofessional language will not be tolerated by any parties involved in Association business.
- The Board shall appoint a single point of contact for Manager to communicate the ongoing needs of the Association, to ensure efficient communication for both Manager and the Board of Directors. Manager will not accept directions or instructions with regard to the management of the property from anyone else. In the absence of this designation, the President shall be deemed to have this authority. The Board of Directors will be supplied with meeting information prior to scheduled meetings. Directors agree to come prepared to meetings by reviewing the agenda and related materials prior to the meeting.
- Roberts Rules of Order. Directors will conduct all meetings in accordance with Roberts Rules of Orders, for small assemblies, including respectful debate, attentive listening, properly recorded decisions, and clear direction to staff.
- Maintain Confidentiality. Directors agree to maintain confidentiality on all highly sensitive Association information including assessment, legal advice, and actions against individual owners.
- Directors will Respect the Community Rules. All Board of Directors members will comply with the Governing Documents and community rules and regulations, including keeping all regular and special assessments current.
- Board Education. Directors will make every effort to become familiar with their governing documents. Company will also offer Board of Director Success Seminars and Directors are encouraged to attend.

- Attend all Board Meetings. The Board of Director agrees to attend scheduled meetings unless proper notice of their absence is provided or there is a personal emergency. The effectiveness of the Board is based on keeping informed and making informed decisions. This is made possible by attending meetings where decisions are made.
- To set assessments to a level need to adequately fund reserves and maintain the community to the standards established by the board and industry standards.

Manager reserves the right to terminate this Agreement if the Association, its Board members, its officers, its owners and/or its residents create a hostile work environment, which includes sexual or other harassment, discriminatory language, or actions, bullying, and disruptive and abusive verbal or physical interactions, which may include electronic communications, with Manager or others during Manager's performance of its duties. Manager recommends Board develop and adopt a "Code of Conduct Policy" for Board members to act as a guide to appropriate behavior and civil discourse.

The Association shall:

**REIMBURSEMENT OF ALL COSTS AND EXPENSES.** Except for the negligent and/or willful misconduct and/or omission of Manager or Manager's principals, executive employees, staff and/or Independent Contractors, the Association assumes all liability for all obligations and costs incurred by the Manager within the scope this contract, and excluding, however, liability for salaries of the Manager's executive employees and office staff, and any other costs of the Manager not directly related to the operation and management of the Association. A schedule of applicable hourly service fees (subject to annual adjustment) for any services directly provided by Manager is attached to this Agreement as Exhibit B. The Manager shall adhere to the following guidelines when incurring expense on behalf of the Association: (i) Manager shall have unlimited authority to implement and act on matters and expenses as (but only to the extent of the dollar amount in that line item) set forth in Annual Budget as approved by the Board; (ii) except for instances of an emergency (see below), Manager shall not incur unbudgeted expenses on behalf of the Association without first obtaining the consent of the Board; and (iii) Manager shall have unlimited authority to incur expenses on behalf of the Association in the case of emergencies (but the Board will be notified of any emergency expenditure as soon as reasonably practical).

**COOPERATION.** Cooperate in every reasonable manner with the Manager in its operation and management of the Association and Association's Property.

## **7. ENFORCEMENT OF DECLARATION**

The Manager is authorized to institute, in the Association's name and with the Board's prior approval, all legal actions or proceedings for the enforcement of any provisions of the Declaration and other Governing Documents and for collection of Assessments. The Manager is authorized to sign and serve such notices as the Manager deems necessary for enforcement of the Declaration and collection of Assessments. Upon the Board's decision in Open Meeting, Manager will proceed to Lien for delinquent assessments and charge as provided by law, and Manager is authorized to sign the Lien for the Association. The Manager is authorized, when expedient, to settle, compromise, and release such legal actions or suits with the consultation of the Board. Attorneys' fees, Manager's fees, filing fees, court costs, recording costs and other necessary expenses incurred in connection with such actions and those not recovered from the applicable Owner shall be paid out of the Operating Account or reimbursed directly to the Manager by the Association. The Board shall select the attorney of its choice to handle enforcement actions and litigation for Association matters. Manager will serve as a liaison between the Board and the Association's designated attorney regarding legal matters. Notwithstanding the general categorization of the Manager

as an Independent Contractor, for sole purpose of any type of communication with the Association's legal counsel, Manager is deemed the functional equivalent of an employee and the attorney-client privilege between the Association and its legal counsel extends to Manager.

#### **8. INTEREST AND UNPAID SUMS**

Any sums due to the Manager of the Association under any provision of this Agreement and not paid within thirty (30) days after such sums have become due shall bear interest at the rate of Ten Percent (10%) per annum.

#### **9. MANAGER'S COMPENSATION**

As compensation for its services in managing the Association Property, the Manager shall be paid the Management Fee (hereinafter defined) on the first day of each month during the term of this Agreement. The Manager is authorized to pay to itself from the funds collected and held on behalf of the Association a monthly fee equal to the amount stipulated in Exhibit B ("Management Fee"). Administrative costs not included in the base fee schedule in Exhibit B shall be billed to the Association pursuant to the amounts outlined in Exhibit B and shall not be considered part of the Management Fee.

**SPECIAL SERVICES.** Manager may, at the request of the Board, perform special services for compensation at the employee rates per hour plus travel time and service charges outlined in Exhibit B. Special services shall include any services not specifically designated herein as routine services, including, without limitation, the following:

- Participating in the preparation of specifications, schematics, construction estimates, construction drawings and contracts for major renovation or repair of the common area.
- Providing assistance in emergency situations or responding to resident complaints at times other than normal working hours. Emergency calls during non-working hours requiring Manager to travel to the project will be billed at the rate for special services with a minimum two (2) hour charge per site visit.
- Revision of the project declarations, Articles of Incorporation and Bylaws; provided, however, revision assistance of rules, regulations and policies of the Association shall be part of routine services.
- Participating in the initial sale, resale, financing or refinancing of a unit other than to provide information and documentation as set forth in California Civil Code **§4525**.
- Providing assistance as required by Association attorney in defense of legal actions brought against Association occurring during the period of time Manager is employed.

**SPECIAL PROVISIONS.** The Management Fee shall increase at a minimum rate of 4% or the cumulative measure of increase in the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U), whichever is greater. Notwithstanding anything contained herein, Manager retains the right to a higher increase at any time an increased workload can be documented or anticipated on subsequent Management Agreements or upon auto-renewal.

#### **10. MANAGER'S OTHER SERVICES**

The Manager shall be permitted to render insurance, real estate services, and marketing efforts of Manager's affiliated entities to individual Owners at their request. Compensation to the Manager for duties performed in connection with such other services shall be distinct from any Management Fees paid by the Association.

#### **11. TERMINATION**

**TERMINATION BY EITHER PARTY.** This Agreement may be terminated after the initial term by either party with or without cause by providing sixty (60) days' notice. Termination for cause shall be permitted if Manager or Association materially breaches any provision of this Agreement. In addition, Manager reserves the right to withhold a reasonable deposit against administrative fees the Association may or will have accrued for which the Manager will be paid or reimbursed.

**ASSOCIATION RESPONSIBLE FOR PAYMENTS.** Upon termination of or withdrawal from this Agreement, the Association shall assume the obligations of any contract or outstanding bill executed or otherwise approved by the Manager under this Agreement for and on behalf of the Association and responsibility for payment of all unpaid bills. In addition, the Association shall furnish the Manager security in an amount satisfactory to the Manager, against any obligations or liabilities, which the Manager may have properly incurred on the Association's behalf under this Agreement and for any administrative fees the Association may or will have accrued for which the Manager will be paid or reimbursed; and the Manager may withhold funds for any or all of the above for ninety (90) days after the end of the month in which this Agreement is terminated in order to pay, any or all of the above, including but not by way of limitation, bills previously incurred but not yet invoiced and to close accounts.

## **12. ASSIGNMENT OF RIGHTS AND OBLIGATIONS**

**ASSIGNMENT** Manager may assign its rights and obligations under the terms and provisions of this Agreement, which shall be capable of performing the services of Manager under the terms and provisions of this Agreement.

**NOVATION** In the event of such assignment, notice shall be given to Association, and upon Association's receipt of such notice, Association shall look solely to the assignee for the performance of all obligations of Manager under the terms and provisions of this Agreement.

## **13. INDEMNIFICATION**

**BY ASSOCIATION.** Except for the negligent and/or willful misconduct and/or omission of Manager or Manager's principals, executive employees, staff and/or Independent Contractors, the Association shall defend and indemnify Manager and its representatives and employees, and hold Manager and its representatives, and employees harmless from and against loss, cost, expense (including attorneys' experts, and management fees), liabilities, suits, claims, damage inquiries, fines or the like which derive in connection with the management of the Property and the services specifically set forth in this Agreement, including injuries incurred at the Property by Owners, members, guests, contractors, agents, or otherwise and, in the case of Manager's representatives, and employees, incurred while engaged in duties away from the Property, and any claim, proceeding or suit involving an alleged violation by Manager or the Board, or both, of any law, regulation or requirement relating to disposal of solid, liquid, and gaseous wastes, fair employment, labor laws, fair credit reporting, debt collection, lender questionnaire forms, environmental protection, rent control, taxes, or fair housing, including, but not limited to, any law prohibiting or making illegal discrimination on the basis of race, sex, creed, color, national origin, or mental or physical handicap. If, at any time during the course of Manager's engagement, the legal representation provided by the insurance carrier's counsel is determined to be inadequate, Manager shall have the option to engage alternative legal counsel of their choice. Association's indemnification of Manager shall survive the termination of this agreement.



Manager shall be indemnified against any losses or claims relating to the Board's decision to fund its reserve levels and is not responsible for the adequacy of the funding.

At all times during which this Agreement is in place, Association shall carry, at the Association's expense, General liability insurance, Property coverage, liquor liability (if liquor shall be dispensed on the Property), Directors and Officers, computer fraud, Cyber Liability and Data Breach, Social Engineering, EPLI, and funds transfer fraud, Workers' Compensation insurance or other coverage required by statute or recommended by the Association's community association insurance advisor naming Manager and its representatives, and employees as additional insured and further providing that Manager receive written notice of any cancellation of any such policy or policies within five (5) business days. All insurance policies shall be in amount adequate to protect the interests of the Association, its Board, and the Manager as required by statute or recommended by a qualified association insurance advisor. If the Board seeks and/or obtains insurance without the assistance of the Manager, The Board shall furnish to Manager with certificates evidencing the existence of this insurance required herein.

**BY MANAGER.** Manager agrees to, and shall, indemnify and hold harmless the Association from and against all loss, cost, expense, liabilities, suits, claims, damage inquiries, fines or the like nature and description whatsoever which derive solely and directly from the negligence or willful misconduct acts and/or omission of Manager or Manager's principals, executive employees, staff and/or Independent Contractors.

At times during which this Agreement is in place, Manager shall carry, at the Manager's expense, general liability insurance and commercial automobile liability insurance covering owned and non-owned vehicles operated by Manager, computer fraud, Cyber Liability and Data Breach and Social Engineering, EPLI, and funds transfer fraud all in the amount approved by the Association, and Workers Compensation Insurance.

All Board Members, officers, Manager and Manager's employees who handle or are responsible for the safekeeping of any monies of the Association shall be covered by a fidelity bond held by the Association, which bond shall be in an amount required by statute equal to or greater than the combined amount of the reserves of the association and total assessments for the highest balance during the previous year held by the Association with said premium paid for by Association underwritten by an insurance company chosen by Association.

#### **14. REPRESENTATIONS AND WARRANTIES SURVIVE TERMINATION**

All representations and warranties of the parties contained herein shall survive the termination of the Agreement. All provisions of this Agreement that require the Association to have insured or to defend, reimburse, or indemnify the Manager shall survive any termination; and if the Manager is or becomes involved in any proceedings or litigation by reason of having been the Association's Manager, such provision shall apply as if this Agreement were still in effect.

#### **15. MANAGER ASSUMES NO LIABILITY**

The Manager assumes no liability whatsoever for any acts or omissions of the Association, through no fault of its own Manager, including any liability for any failure or default by any Owner in the payment of any Assessments (or other charges due the Association) or in the performance of any obligations owed by Owner to the Association. Further, the Manager does not assume any liability for previous unknown violations of environmental or other regulations which may become known during the period this Agreement is in effect. Any such regulatory violations or hazards discovered by the Manager shall be brought to the attention of the Association, and the Association shall promptly cure them.



**16. NON-INTERFERENCE WITH MANAGER'S BUSINESS**

Association acknowledges and agrees that during the term of this Agreement and for a period of twelve (12) months after termination of this Agreement, Association will under no circumstances solicit, entice, or hire any of Manager's employees or other individuals or agents privy to Manager's confidential business information, or who have contributed notably to the goodwill of Manager's business without the permission of the Manager at the Manager's sole discretion. Association understands and agrees that if Association, directly or indirectly, either for Association or for any other person or entity, induces or attempts to induce Manager's employees or consultants to discontinue employment with Manager, interferes with those relationships, or accepts for hire any of Manager's employees, such conduct may cause irreparable harm. Association also understands and agrees that in addition to any equitable relief available to Manager, because it may be difficult to ascertain and impractical or extremely difficult to fix and actual monetary amount of damages, Association shall be liable to Manager in an amount, as liquidated damages, equal to the compensation paid to said employees/consultants for the twelve (12) months immediately preceding such event. This sum is agreed upon not as a penalty, but to replace and retrain said employee and/or consultant.

**17. FORCE MAJEURE**

Any delays in the performance of any obligation of the Manager under this Agreement shall be excused to the extent that such delays are caused by wars, national emergencies, pandemics, natural disasters, strikes, labor disputes, utility failures, governmental regulations, riots, adverse weather, and other similar causes not within the control of the Manager, and any time periods required for performance shall be extended accordingly.

**18. COMPLETE AGREEMENT**

This Agreement, including all Exhibits, constitutes the entire agreement between the Association and the Manager with respect to the management and operation of the Association and supersedes and replaces any and all previous management agreements entered into or/and negotiated between the Association and the Manager relating to the Association covered by this Agreement. No change to this Agreement shall be valid unless made by a supplemental written agreement executed and approved by the Association and the Manager. Except as otherwise provided herein, any and all amendments, additions, or deletions to this Agreement shall be null and void unless approved by the Association and the Manager in writing. Each party to this Agreement hereby acknowledges and agrees that the other party has made no warranties, representations, covenants, or agreements, expressed or implied, to such party, other than those expressly set forth herein, and that each party, in entering into and executing this Agreement, has relied upon no warranties, representations, covenants, or agreements, expressed or implied, to such party, other than expressly set forth herein.

**19. RIGHTS CUMULATIVE; NO WAIVER**

No right or remedy herein conferred upon or reserved to either of the parties to this Agreement is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given under this Agreement or now or hereafter legally existing upon the occurrence of an event of default under this Agreement. The failure of either party to this Agreement to insist at any time upon the strict observance or performance of any of the provisions of this Agreement, or to exercise any right or remedy as provided in this Agreement, shall not impair any such right or remedy or be construed as a waiver or relinquishment of such right or remedy with respect to subsequent defaults. Every right and remedy given by this Agreement to the parties to it may be exercised from time to time and as often as may be deemed expedient by those parties.

**20. AGREEMENT BINDING UPON SUCCESSORS AND ASSIGNS**

This Agreement shall be binding upon the parties hereto and their respective personal representatives, heirs, administrators, executors, successors, and assigns.

**21. APPLICABLE LAW AND PARTIAL INVALIDITY**

The execution, interpretation, and performance of this Agreement shall in all respects be controlled and governed by the laws of the State of California. If any part of this Agreement shall be declared invalid or unenforceable, the Manager shall have the option to terminate this Agreement by notice to the Association.

**22. NOTICES**

Wherever any notice or other communication is required or permitted hereunder, such notice or other communication shall be in writing and shall not be deemed to have been duly given or served unless in writing, and personally served or forwarded by certified mail, postage prepaid, addressed in the manner provided, as allowed or at such other addresses as are specified by written notice delivered in accordance herewith:

Manager: Progressive Association Management  
Attn:  
Address:  
1290 N. Hancock St., Ste. 103  
Anaheim, CA 92807

Association: Name  
Attn:  
Address

Either party may change such address by written notice by certified mail to the other. Any notice or demand given by certified mail shall be effective one (1) day subsequent to mailing. Notices to Association shall be addressed to the Association's President and to the Association's Secretary at their respective mailing addresses as reflected in the Association's membership roster and copied to Association legal counsel.

**23. CONFIDENTIALITY**

Association and Manager acknowledge their respective obligation to hold this Agreement in confidence and agree to take reasonable measures to prevent this Agreement from distribution, electronically or otherwise, to any individual, business, or legal entity, or trust/ trustee, with the exception of legal counsel for either Party, without the express written consent of either Party. Both Parties agree to maintain the confidentiality of this Agreement for up to five (5) years after termination of this Agreement.

Signature Page Follows

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day, month and year first above written.

**MANAGER**

FOR: PROGRESSIVE ASSOCIATION MANAGEMENT

Print name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

Its: Authorized Member

The undersigned has been duly authorized by all necessary action of the Board, in accordance with the Association's governing documents (including but not limited to its articles of incorporation, bylaws, and any applicable declarations or covenants), to execute and deliver this Management Agreement (the "Agreement") on behalf of the Association, and no further action, consent, or approval is required for the Association to enter into and perform its obligations under this Agreement.

**ASSOCIATION**

FOR: COMMUNITY NAME

Print name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

Its: Authorized Member

**Exhibit "A"****Schedule of Services Included in Base Fee****HOA NAME** **Full Service Management Agreement****Effective Date:** **Date****Monthly Base Management Fee:** **Monthly Management Fee****DEFINITION OF GENERAL ADMINISTRATIVE AND FINANCIAL SERVICE POINTS INCLUDED IN BASE MANAGEMENT FEE:**

Progressive Association Management shall provide professional management services to your community including the following as part of the Monthly Base Management Fee:

- Monthly billing and collection of dues
- Owner online payment of monthly assessments
- Reminder statements to homeowners who do not pay on time
- Collection of late fees (split 50/50 with association)
- Monthly accounting services
  - Balance Sheets
  - Monthly Profit & Loss
  - Year to Date Profit & Loss
  - Collection Status
  - Bank Reconciliation
  - Bank Statements
  - Register Report
- Attendance of a meeting with board monthly
- Attend one annual meeting with board
- Schedule, notice and coordinate Board and general membership meetings
- Monthly visitation and walk through of premises with designated board member
- Payment to all vendors with prior approval from board
- Due diligence of all vendors
- Review of all vendor work
- Communication with board on all matters
- Any payments to vendors, in any amount to be communicated to board members
- Provide escrow holders information and documents as requested in writing with fees charged to the escrow holder for services rendered
- Assist with securing other professionals as needed
  - Reserve Study
  - Income Taxes
  - Legal Expertise
  - Debt Collection
- Compliance with all local and state laws
- Report annual budget to association
- Supervise annual election for association



### Schedule of Fees/Costs in Addition to Full Services

**MODIFIED “ALL INCLUDED” OPTION WITH THE FOLLOWING TERMS AND CLARIFICATIONS:**

ITEM	DESCRIPTION	RATE	NOTES
<b>Management Fee</b>	Monthly Charge	<b>\$X,XXX</b>	“All Included” Option
<b>Meetings</b>	Included in Monthly Fee	12	Per Annum
<b>Community Visits</b>	Included in Monthly Fee	6	Per Annum
	Software User Fee	Included	Per Owner Per Month
	Call/Fax/General Supplies	Included	
	Meeting Minutes	Included	12 Per Annum (2 Hour Limit)
	Budget Assistance	Included	Per Owner Annually
	Dues Paid by ACH Online	Included	
	Late Charges	50%	From Amount Charged
	Delinquent Letter/Statement	Included	
	Intent to Lien	\$200.00	Charged to Owner
	Non-Sufficient Check Processing	\$40.00	Charged to Owner
	Bankruptcy Notice Processing	\$50.00	Charged to Owner
	Payment Plan Processing	\$35.00	Charged to Owner
<b>Office/Mailing</b>	Postage	Included	
	Certified Mailings	Included	
	Mailing Lists	\$20.00	Per Set
	Owner Labels	\$10.00	Per Set
	Violation Notice Processing	Included	
	Architectural Application Processing	\$25.00	Per Owner Per Month
	Statements	Included	Up to the # of Owners per Month
	Coupons	\$5.00	Per Book
	Mailing Envelopes	Included	Up to the # of Owners per Month
	Return Payment Envelopes	Included	Up to the # of Owners per Month
	8.5 x 11 Envelopes	Included	Up to the # of Owners per Month
	AP Invoicing & Processing	Included	Up to the # of Owners per Month
	Scanned Documents	Included	Excludes Historical Documents
	Copies	Included	
	Color Copies	Included	
	Newsletter “Print Ready”	\$75.00	Per Page
	Courier	Cost	
<b>Records &amp; Filing</b>	Data Backup/Storage	Included	
	Storage of Records	Included	Up to 30 Boxes
	1099 Preparation	\$35.00	Per 1099
	Secretary of State Annual Report – Registered Agent Service	\$75.00	Secretary of State Fees Paid by the Association
	Change of Officers Filing & Update	\$50.00	Annually
	Preparation of Documents for Association Reviews or Audits	\$200.00	Annually
	Key/Gate Administration	\$75.00	Per System/Monthly

**(SOME FEES SUBJECT TO CHANGE WITHOUT NOTICE)**

**Exhibit B  
Schedule of Fees/Costs in Addition to Full Services**

HOA **Full Service Management Agreement**  
Effective Date: **Date**

NON-ROUTINE SERVICES	DESCRIPTION	RATE	NOTES
	Additional Board Meetings	\$60.00	Per Hour
	Meeting Cancellation without 72 Hour Notice	\$60.00	Or Serves As Contracted Meeting
	Board Packet Preparation	\$60.00	Above Contracted Meetings
	Unscheduled/Additional Site Visits	\$60.00	Hourly
	Custom Reports	\$60.00	
	Additional Request for Proposals	\$60.00	Over Contracted Number
	Special Projects	\$75.00	Outside of Contract
	Accounting Reconstruction	Hourly	Based on Project Size
	Expedited Check Fee	\$50.00	Same Day Request
	Court Appearance/Legal Research	Hourly	Hourly Rate
	Insurance Claim Management	10%	Fee Included with Claim
	New Bank Loan Administration	2%	Of Loan Amount
	Payroll/Employee Management	\$65.00	Per Check
	Purchased on Manager Credit Card	10%	
	Special Assessment Mailings	\$3.00	Per Unit/6 Month Minimum/\$300.00
	Tenant Verification	\$35.00	Each
	Rental Tracking	\$300.00	Per Year
<b>Capital Coordination Fee</b>			
	\$5,000 to \$25,000	0.00%	Capital projects are maintenance or repair projects that cost over 10% of the association's annual operating budget or have two or more sub-contractors. The capital coordination fee will be reduced by 50% when the Association uses an architect or engineer to bid and manage a project
	\$25,001 to \$50,000	2.00%	
	\$50,001 to \$100,000	1.75%	
	\$100,001 to \$200,000	1.50%	
	\$200,001 to \$300,000	1.25%	
	\$300,001 to \$1,000,000	1.00%	
	\$1,000,001 and over	Negotiable	
<b>Employee Rates</b>			
	Clerical/Administrative	\$65.00	Per Hour
	Staff Accountant	\$100.00	Per Hour
	Community Manager	\$100.00	Per Hour
	Principle/Executive	\$175.00	Per Hour
	Courier	Cost	
TRANSITION CHARGES	DESCRIPTION	RATE	NOTES
<b>One-time Take-over Charge Itemization</b>	Conversion of Ownership Records & Accounting Setup	\$10.00	Per Unit
<b>One-Time Off-boarding Transition Charge</b>	Transition of Ownership Records to New Company or Board	\$5.00	Per Unit

**(SOME FEES SUBJECT TO CHANGE WITHOUT NOTICE)**

**Exhibit C**
**Schedule of Fees/Costs to Seller, Buyer & Third Party**
**HOA Name:**
**Full Service Management Agreement**
**Effective Date:**
**Date**

Lien on Delinquent Homeowner.....	\$400.00
Intent to Lien Letter (60+ Days Past Due).....	\$200.00
Release of Lien (Does not Include Recording Fee).....	\$200.00
Rush Processing (24 Hours) Account Transfer.....	\$300.00
Rush Processing (2 Days) Account Transfer.....	\$200.00
Processing (3-5) Account Transfer.....	\$100.00
Transfer Fee.....	\$415.00
Demand Statement.....	\$275.00
Loan Questionnaire.....	\$150.00
Refinance Demand.....	\$100.00
Move-In Fee.....	\$125.00
Regular Minutes of Meetings.....	\$75.00
Rush Processing.....	\$50.00
CC&Rs.....	\$45.00
Articles of Incorporation.....	\$35.00
By-Laws.....	\$35.00
Operating Rules.....	\$20.00
Annual Budget.....	\$35.00
Financial Statement.....	\$35.00
Certificate of Insurance.....	\$35.00
Financial Audit/Review.....	\$35.00
Litigation Disclosure Letter.....	\$35.00
Management Liability Certificate.....	\$35.00
Miscellaneous Forms.....	\$25.00
Age Restrictions (if any).....	Included in CC&Rs
Rental Restrictions.....	Included in CC&Rs
Assessment & Reserve Funding Disclosure.....	Included in Budget
Insurance Summary.....	Included in Budget
Assessment Enforcement Policy.....	Included in Budget
Regular Assessment.....	Included in Statement
Special Assessment.....	Included in Statement
Emergency Assessment.....	Included in Statement
Approved Changes to Assessment.....	Included in Statement
Notice of Violations.....\.....	Included in Statement

**(SOME FEES SUBJECT TO CHANGE WITHOUT NOTICE)**



**Exhibit D**

## Performance Guarantees Included in Base Management Fee

Name of HOA

Full Service Management Agreement

Effective Date:

**Date**

**PERFORMANCE GUARANTEES:** This is a disclosure regarding the limitations and responsibilities of Company with regards to the Performance Guarantees. All the guarantees are included with the base management fee agreed to by the Association.

1. **RESPONSE GUARANTEE:** If an owner, tenant or board member calls, texts or emails Company, Company will respond within 48 hours (2 business days), or Company will deduct \$100 from that month's management fee.
2. **VENDOR GUARANTEE:** If a vendor Company recommends to perform work for the Association does not complete that job as promised, and does not agree to complete the task to Association standards, Company will deduct \$100 from that month's management fee.
3. **SERVICE GUARANTEE:** The Association's assigned Community Manager will manage no more than 1,000 members or 10 Associations with 50 or more members. If the Association is not satisfied with their Community Manager, another one will be assigned upon request.
4. **SATISFACTION GUARANTEE:** If the Association is not satisfied with the service of Company, Association may cancel the contract at any time with 60-day notice.
5. **CEO GUARANTEE:** Every Owner of the Association will have the email address of the CEO of the Company, Scott P. Brady, and the CEO will respond to any email sent by an Owner with any concern they have about the Company.
6. **TRANSPARENCY GUARANTEE:** The Board shall receive annually at no additional cost, an HOASnapshot report which provides clarity and a financial benchmark to the Board.
7. **FINANCIAL REPORTING GUARANTEE:** The board shall receive the previous month's financial reports by the end of the current month. If they are completed before the end of the month, they will be forwarded to the board within one business day of completion.