

**HOMEOWNERS ASSOCIATION MANAGEMENT AGREEMENT**

This Agreement is made this day by and between 5 Star Real Estate Services, Inc. dba 5 Star Property Management , a Washington state company (hereinafter referred to as the "Management") and the Board of Directors of the [NAME] **HOME OWNERS ASSOCIATION,** (hereinafter referred to as the “Association”) under Declaration of Trust filed with the Pierce County.

Registry Deeds: LEGAL DESCRIPTION:

(hereinafter referred to as the "Board of Directors" and "Trust", respectively) which Trust is the organization of Unit Owners of The [NAME] HOME OWNERS ASSOCATION established pursuant to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, by a Master Deed filed with the Pierce County Registry Deeds Dated \_\_\_\_\_\_\_\_\_.

WHEREAS, the Board of Directors deem it to be in the best interests of the Unit Owners of the ASSOCIATION, and otherwise propitious, that the Association be managed by an organization in the business of 5 Star Property Management.

WHEREAS, the Board of Directors are empowered pursuant to certain provisions of the Trust to employ such an organization.

NOW THEREFORE, in consideration of the promises and undertakings herein contained, it is hereby covenanted and agreed as follows:

**ARTICLE I - CONTRACT DOCUMENTS**

The Contract Documents consist of this Agreement; the General Conditions of even date attached hereto; the Master Deed of the ASSOCATION; Organizational Documents of the Organization of Unit Owners (i.e., Declaration of Trust, Articles of Association, or Articles of Organization), including the By-Laws thereof; the Rules and Regulations, if any, promulgated pursuant to the By-Laws, as the same may be now, or hereinafter amended; provided, however, that amendments made subsequent to the date hereof shall not materially affect Management without its written consent to be so affected; and the provisions of Washington RCW 64.34 (hereinafter referred to as the “Act”).

**ARTICLE II - MANAGEMENT DUTIES**

5 Star Property Management shall utilize its experience and knowledge to assist the Board of Directors in the management, supervision, control and administration of the ASSOCATION. Management agrees to furnish efficient business administration and supervision and to perform its responsibilities, both administrative and advisory, consistent with the best interests of the Trust, the ASSOCATION and its Unit Owners.

**ARTICLE III - LIAISON**

Management shall principally communicate to the Board of Directors and to the Unit Owners to the extent practicable, through the Chairperson of the Board of Board of Directors or the Board of Directors' designated liaison. Notwithstanding the appointment of one or more liaisons, Management shall communicate with the Board of Directors, Officers and Committee Chairperson, if any, in the exercise of their mutual responsibilities.

**ARTICLE IV - COMPENSATION**

The total compensation to which Management shall be entitled during the term of this Agreement shall consist of fees for Recurring Routine services, paid monthly; fees for Periodic Routine Services, paid on a per-item basis; and fees for Non-Routine Services, on a per-item basis as here specified or to be negotiated prior to performance.

**4.01 Recurring Routine Services:**

Management shall be compensated according to the following schedule. Such compensation represents the overhead expenses of Management, excluding salaries of on-site management and maintenance employees, but including general and administrative expenses, and travel expenses of officers and employees incurred under this Agreement, and covers fees for basic services, including financial management, general administration and property management. $\_\_\_\_ per door due and payable in equal monthly installments of $\_\_\_\_, payable monthly, in advance.

**4.02 Scope of Work:**

The firm will provide the following services:

1. Maintain Association membership roster. Interface with title companies and closing agents for changes in unit ownership. Includes maintaining a list of absentee-owners (if any). Send welcome packets to new owners as needed.
2. Collect all monthly/quarterly/yearly assessments and other monies due to the Association. Provide choice of monthly/quarterly/semi-annual/yearly billing. Generate and email monthly statements for the Association. Prepare and mail statements of business owner accounts as required. Deposit all monies collected on behalf of the Association. If requested, the firm will establish a relationship with the Association’s current financial institution and utilize bank services that may minimize the Association’s overall expenditures such as use of online banking. The firm will set up QuickBooks Online at the Association’s expense. Collection services, consisting of delinquent collection letters mailed at 30 and 60 day intervals, and telephone collection calls as needed.
3. Pay all expenses for the operation and management of the property from the Association’s funds.
4. Prepare and maintain records of all income and expenses related to the Association. Submit a monthly statement of receipts and disbursements for the preceding month, including a statement of the bank balances and reconciliation (if a separate demand account is used).
5. Prior to the beginning of each fiscal year, assist in preparation of the annual budget.
6. At the end of each fiscal year, submit an annual report of all income and expenses related to the Association to the Board.
7. Work with the Association’s tax accountant to prepare the annual Association Tax Returns, and yearly audits.
8. Work with the Association’s insurance company to insure appropriate and consistent insurance coverage.
9. Secure competitive bids from vendors or sub-contractors as requested.
10. Arrange for needed repairs or improvements to be made to the Association’s common areas as requested by the Board.
11. Act as a Control Center for calls related to the Association.
12. Attend the annual meeting for the Association (yearly) if requested.
13. Attend 2 Board meetings for the Association (bi-annually).
14. Covenant enforcement as per the Association’s governing documents. Perform monthly maintenance inspections. Generate violation letters. Escalation of violations, including telephone or personal visit follow up. Generate fines as needed.
15. Provide other optional services as requested.

**4.03 Project Management**

The Firm will provide management of capital expenditure projects including, vendor selection and project completion.

**4.04 Banking**

If requested, the Firm will establish a relationship with the Association’s current financial institution and utilize bank services that may minimize the Association’s overall expenditures such as use of online banking. The firm will set up QuickBooks Online at the Association’s expense.

**4.05 Service Prices and Fees:**

**Management Services Price**

Monthly Management Fees $\_\_\_\_ per single family home

**One-Time Fees**

Setup/Conversion $250.00

**Ongoing Monthly Costs**

Statements, supplies & Postage Billed at cost

**Miscellaneous/Optional Costs**

Additional Board meeting attendance $65.00 per hour

Capital Expenditure Project Management 5% of project over $5,000

Collection Management Fee Each Occurrence $30.00 (liens/foreclosures)

Certification Processing Fee $200.00 (billed to buyer/owner closing)

Current Owner Search $25.00 (foreclosures, etc.)

**4.06 Non-Routine Services:**

Management shall maintain availability for services related to certain non-routine activities for

which the need may or may not arise. Non-routine services may include, without limitation, the

following:

1. Participation in legal actions initiated by the Trust exclusive of those related to collection of annual assessments; legal actions relating to documents enforcement; and other legal actions arising in connection with the services being provided hereunder; provided, however, that communication with attorneys representing the ASSOCATION providing data and information for such attorney’s activities shall be covered under Recurring Routine Services. Such non-routine services would include actions resulting in the Agent's expending man hours in the preparation of legal cases, court appearances and depositions.
2. Negotiations and claims of a protracted nature arising from claims for work performed by any contractor prior to effective date of this agreement. Charges for services performed under this Section shall be:

(a) at rates mutually agreed upon by Management and the Trust at the time work is

authorized or previously agreed to or

(b) at an agreed to rate of $60 per professional hour expended.

1. Non-routine services, additionally, include without limitation, attendance (by an officer or supervisory person of Management, who is in authority and is fully informed concerning matters involving the ASSOCATION) at more than four (4) meetings of the Board of Directors and one (1) Unit Owner meetings within any fiscal year.

**4.05 Payment Schedule:**

Payments for services rendered shall be on or before the 15th day of the month in advance for

which management services are being performed and by the tenth day of the month following

rendering of services for all other items unless otherwise provided in this Agreement.

**ARTICLE V - CONTRACT PERIOD AND TERMINATION**

This Agreement shall be for yearly periods stated and may be terminated only as hereinafter provided. This Agreement shall commence on [DATE] and shall continue until it is terminated by the Trust or the Agent. On or before sixty (60) days prior to expiration of the above term or any term or any renewal period, either party shall notify the other in writing of an intention to terminate this Agreement, in which case this Agreement may be terminated on the last-mentioned date.

**ARTICLE VI – MISCELLANEOUS**

**Definitions.** Terms used in this Agreement shall be defined in the same manner as in the Act, or if not defined therein, as defined herein

**Conflicts.** If any conflicts shall rise within the Contract Documents the Agreement shall control General Conditions. The provisions of the Act and ASSOCATION Documents in that order shall control all of the above-mentioned items.

**Severability.** The invalidity of any part hereof shall not affect the balance hereof so long as such part is not to the essence thereof.

**Waiver and Modification.** No forbearance hereunder shall be deemed a waiver upon any subsequent breach hereof. This Agreement may be modified only by a written instrument executed by all parties hereto.

**Construction.** This Agreement, executed in several original counterparts, is to be construed as a Washington contract. Headings are provided for convenience only and are not intended to be utilized in interpreting the intents hereof. Terms of gender shall refer to the opposite gender where appropriate and terms of singular shall refer to plural and vice versa.

**Notices.** All notices as herein provided for, or as may be deemed desirable, shall be in writing and sent postage prepare by certified mail, return receipt requested to Management at the address indicated above, or such other address as notice may be given of and to the Board of Directors care of the then serving Chairperson at his/her residential address with a copy to the Trust's attorneys.

**Whole Agreement.** The Contract Documents represent the parties entire understanding and supersede any agreements prior thereto. The parties acknowledge that there are no other understandings between them in these regards, except as may be hereinafter evidenced by written memorandum. IN WITNESS WHEREOF the parties have hereunto set their hands and seals this

\_\_\_\_day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_.

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*Delores Cante, 5 Star Property Management Managing Broker*

MAJORITY OF THE HOME OWNERS ASSOCIATION BOARD OF DIRECTORS OF THE [NAME] HOMEOWNERS ASSOCATION TRUST AND NOT INDIVIDUALLY

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