

PREMIUM SERVICE

AUTHORITY OF THE AGREEMENT

The Board of Directors ("Board") of the Klamath Falls (the "Association"), on behalf of Klamath Falls (the "Property"), hereby appoints MGM Association Management ("Agent") to manage the Property, and Agent accepts appointment to manage the Property (the "Agreement").

TERMS OF AGREEMENT

The Board appoints Agent exclusively to manage the Property for the period of one (1) year(s), beginning July 1, 2021, and thereafter automatically renews annually for a one-year renewal period on the date of expiration unless this Agreement is terminated as provided in this section (see *Events of Termination of Agreement*).

ADMINISTRATIVE SERVICES:

1. Prepare a recommended annual budget.
2. Bill and account for annual assessments (dues) to Owners. (Agent reserves the top 3 inches of statements for advertising)
3. Maintain all account receivables and account payables and register of Owners.
4. Maintain banking accounts, including checking and others, as directed by the Board and in the name of the Association. Each account will be maintained separate and apart from all other accounts of Agent and the amounts will not be commingled with any other funds controlled by Agent.
5. Provide other banking and account receivables/account payables services as provided in the budget. All expenditures not budgeted shall be made only with the approval of the Board.
6. Furnish financial statements prepared on the 2nd week of each month.
7. Provide accountant with all information necessary to file corporate taxes.
8. Provide general assist so the Board may make amendments to the Governing Documents.

*see fee schedule

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9. Retain digitally all records of the affairs of the Association and the Board (including the Declaration, Articles of Incorporation, By-Laws, rules and regulations, policies, Minutes of meetings, copies of contracts, etc. as provided by the board) and retain all documents in the association office. All such records shall belong to the Association.
10. Keep register of Owners, Officers and Directors; make those registers available to the directors of the Homeowner's Association.
11. Agent will provide web-site maintenance and most any desired information for the Association will be posted by the Board's instructions.

Agent reserves the top 3 inches of all statements for advertising.

FISCAL SERVICES

1. Prepare a recommended annual budget.
2. Bill annual assessments to Owners.
3. Maintain account receivables and account payables.
4. Reconcile banking accounts in the name of the Association.
5. Provide other banking and account receivables/account payables services as provided in the budget. All expenditures not budgeted shall be made only with the approval of the Board.
6. Respond to Title Companies with information regarding seller's dues and set-up/transfer fee payments.*
7. Prepare financial statements for regularly scheduled Board meetings, or on an outlined regular monthly/quarterly bases.
8. Provide accountant with all information necessary to file corporate taxes.*

SITE /CONTRACT/AND RELATIONSHIP MANAGEMENT

1. Advise Association concerning contracts for insurance, landscaping, and improvements.
2. Review maintenance needs with the Board and contractors to determine reserves and replacement needs.
3. Keep subcontractor's insurance, certification, licenses, etc as provided by contractor.

*see fee schedule

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4. Provide regular on-site inspections of Association property and common areas. Each year from April through September a total of 6 inspections will be done. Additional inspections can be provided on the schedule outlined by the Board at additional cost.*

COVENANT ADMINISTRATION

1. Covenant administration is under the control and direction of the Board. Agent will provide the degree of flexibility or strictness that the Board directs.
2. Maintain general knowledge of Association Governing Documents.
3. Provide regular on-site inspections of common areas. Each year from April through September, six (6) inspections will be done. Additional inspections can be provided on the schedule outlined by the Board at an additional cost.*
4. Send notification to Owners of violations to CC&R's (sent to addresses of record) after the report is returned to Agent with instructions. Board involvement is necessary when notification to the Owner involves sending certified mail or legal action to be taken. Non-CC&R founded notifications will be left to the Agent if they are sent.
5. Advise the Association's attorney where compliance is not achieved voluntarily, based on Board request.*

COMMUNICATION

1. Agent will send communication to registered owners as shown on records of association.
2. If the Board of Directors desires, Agent will stuff and mail a quarterly newsletter if the final copy is provided to Agent. (Up to 4 per year.) * (postage and printing extra.)
3. Agent will provide 24-hour telephone voicemail service. Agent will respond to irrigation emergency calls 24/7 during the irrigation season. (All messages will be forwarded to Board or Irrigation Master for emergencies only.)
4. Agent will provide an email address for all homeowners to be able to contact the Board.
5. Agent reserves the top 3 inches of all statements for advertising.

COMPENSATION & REIMBURSEMENT

1. Agent will charge a monthly fee of \$4.50 per/home/unit payable on the first day of following month or \$450.00 monthly minimum.

*see fee schedule

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2. Reimbursement will be made to Agent for reasonable out-of-pocket expenses made on behalf of the Association, including materials costs, and other such expenses.
3. Services not listed in this Agreement may, at the choice and good will of Agent, be performed without charge to the Association.
4. If there is a need for services beyond the scope of this Agreement, Agent will perform such services at the direction of the Board. The rate will be \$45.00 per hour and increase based on request requirements.
5. In the instance that Agent should be requested to appear in court, help with extensive legal proceedings, or manage non-routine insurance issues, the fee for that service will be \$45.00 /hr. with a \$90.00 minimum.
6. In the instance that Agent shall be required to send a problem regarding an Owner property to the Association's attorney, Agent will charge the Association a \$45.00 flat fee to prepare the account.
7. In the instance that the Board requests the Agent to facilitate the process on non-payment of assessments, Agent will charge a onetime fee of \$325.00 to initiate small claims proceedings, which would include paper running, time and facilitating information for each property each occurrence.
8. Annual increase of 3% will be made each year on the anniversary date of the contract.

BONDING OF EMPLOYEES

A bond protecting the Association shall cover all employees of Agent who handle or are responsible for the safekeeping of any monies of the Association. Such bond shall be in an amount and with a company determined by Agent and may be a blanket or umbrella bond.

ATTENDANCE AT BOARD MEETINGS

Agent or a designated employee or other representative of Agent, upon not less than 7 days' notice, will attend the regular meeting(s) of the Board. Agent or its designated representative may attend meetings of the Board or of the Association as requested, provided that the Association shall pay Agent \$45.00 per hour (minimum 1.5 hrs charge) for that individual's attendance at each Board meeting excluding the Annual Association Meeting. Agent, or its representative, shall be custodian of the official records of the Board and the Association. However, neither Agent nor its employee shall be required to record the minutes of the annual meeting, nor be responsible for keeping minutes at Association Board meetings.

*see fee schedule

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ONE BOARD MEMBER TO DEAL WITH AGENT

The Board shall designate (**President**) who shall be authorized to represent the Board and deal with Agent on any matter relating to the Association and management of the Property. Agent shall not accept directions or instructions with regard to the management of the Property from anyone else. In the absence of the aforementioned person, the Board appoints (**Vice President**) as alternate. Agent may, but is not required to, submit any matter, direction, instruction or the like to the Board and shall then follow the direction of the Board. Agent shall have no authority or responsibility for maintenance or repairs to the association Property. Such maintenance and repairs shall be the sole responsibility of the Owners individually.

AGENT ASSUMES NO LIABILITY

Agent assumes no liability whatsoever for any acts or omissions of the Board of Directors or previous Boards, the Association, or previous owners of the Property, or any previous management or other agents of either. Agent assumes no liability for any failure of or default by any individual Owner in the payment of any assessment or other charges due the Association or in the performance of any obligations owed by any individual owner to the Association pursuant to any lease or otherwise. Agent likewise assumes no liability for any failure of or defaults by concessionaires in any rental or other payments to the Association. Nor does Agent assume any liability for previously unknown violations of environmental or other regulations that may become known during the period this Agreement is in effect. Any such reoccurring violations or hazards discovered by Agent shall be brought to the attention of the Board in writing, and the Board shall promptly cure them.

SAVE AGENT HARMLESS FROM LIABILITY SUITS

The Association shall indemnify, provide defense, and save Agent harmless from all suits or other claims including, but not limited to, those alleging any negligence of Agent or its employees in connection with the Property or management thereof and from liability of damage to Property and injuries to or death of any employee or other person providing the Agent was acting pursuant to the Board's instruction or in the normal course of business on behalf of the Association. The Association shall pay all expenses incurred by Agent including, but not limited to, all attorneys' fees, costs, and expenses incurred to represent Agent in regard to any claim, proceeding, or suit involving alleged negligence of Agent or its employees in connection with or arising out of the management of the Property.

PAY ALL EXPENSES OF ANY LITIGATION

The Association shall pay all expenses incurred by Agent including, but not limited to, Agent's costs and time, all liability, fines, penalties or the like, settlement amounts, and attorneys' fees for counsel employed to represent Agent or the Association in any proceeding or suit involving any alleged or actual violation by Agent, the Association or the Board, or any combination of all of them, of any law or regulation of any governmental body pertaining to environmental protection, fair housing, or fair employment, including, but not limited to, any law prohibiting or making illegal discrimination on the

*see fee schedule

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basis of race, sex, creed, color, religion, national origin, family status or mental or physical handicap. The Association shall not be responsible to Agent for any such expenses in the event Agent is finally adjudged to have violated any such law. Nothing contained in this Agreement shall obligate Agent to employ legal counsel to represent the Board or the Association in any such proceeding or suit.

DELINQUENT ACCOUNT PROCESS

- 1) Agent can facilitate the non-payment of assessments through the Association's attorney or through Small Claims.*
- 2) Agent will provide accounts receivables in regular reports to the Board for Board decision on what accounts to engage a collection process.

APPROVE ANNUAL BUDGET

The Agent shall submit a recommended annual budget for the Board's approval. The Board will provide notice and copy of an approved budget to Agent. Agent will provide additional information as requested by the Board in writing specifying what information is needed to assist approval of a budget. Failure to provide such notice to Agent shall be deemed as approval by the Board of Agent's recommended annual budget. Upon approval, Agent shall be authorized to operate and manage the Property in accordance with the annual budget.

INDEMNIFICATION SURVIVES TERMINATION

All representations and warranties of the parties contained herein shall survive the termination of this Agreement. All provisions of this Agreement that require the Association to have insured or to defend, reimburse, or indemnify Agent shall survive any termination; and if Agent is or becomes involved in any proceeding or litigation by reason of having been the Association's Agent, such provisions shall apply as if this Agreement were still in effect. In the case that one or more of the provisions contained in this Agreement or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality or unenforceability of the remaining provisions shall not in any way be affected or impaired thereby.

DELIVERY OF NOTICES

Notices or other communications between the Agent and Association to this Agreement may be mailed by United States registered or certified mail, return receipt requested, postage prepaid, and may be deposited in a United States Post Office or a depository regularly maintained by the post office. Such notices may also be delivered by hand or by any other receipted method or means permitted by law. For purposes of this Agreement, notices shall be deemed to have been "given" or "delivered" upon personal delivery thereof or forty-eight (48) hours after having been deposited in the United States mails as provided herein.

*see fee schedule

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EVENTS OF TERMINATION OF AGREEMENT

The Association may terminate this Agreement at the end of the initial term or at the end of any one year renewal period provided that written notice is given to Agent on or before ninety (90) days prior to the expiration of the current term, or on or before ninety (90) days prior to the expiration of such one-year automatic renewal period. Upon termination notice received by Agent, Agent will immediately withdraw full payment through end of termination period. In the event Agent transfers this Agreement, said Agreement will remain in full force. This agreement shall be subject to termination if either party hereto defaults on any of its material obligations or warranties under this agreement, the non-defaulting party shall notify the other party in writing, specifying in sufficient details the nature and extent of such breach and, unless within thirty (30) business days after written notice of such default the defaulting party remedies the default, this agreement will terminate.

Summary Contract Fees

Additional Charges added to contract

- Pool - Portal and Fob Key updates - \$150.00 monthly* Initials _____
- Club House – Calendar Portal and Fob Key updates - \$150.00 monthly * Initials _____
- Irrigation System correlation/assistance - \$150.00/ monthly* Initials _____

Fee charged monthly for a 12-month period.

- Premium Service package at \$4.50 per home with 170homes for a monthly charge of \$ 765.00 Initials _____

**Total Monthly contract amount of \$ 765.00
Total Annual contract amount of \$ 9,180.00**

MGM will issue first invoice on: August 1, 2021

Signatures:

Adm Date 6-24-21

_____ Date _____

_____ Date _____

BOARD OF DIRECTORS

*see fee schedule

MGM ASSOCIATION MANAGEMENT

Date _____
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Fees Schedule

- Listed fees may change without notice.

Transfer fees	\$	NC
Quarterly Newsletters - Emailed	\$	NC
Website Access/Maintenance	\$	NC
Contact Email Account	\$	NC
6 Drive-through Inspections (premium service)	\$	NC
Regular Annual Meeting (premium service)	\$	NC
Copies (B&W)	\$0.15/ea.	
Copies (Color)	\$1.30/ea.	
Envelopes	\$0.27/ea.	
Postage	\$USPS/ea.	
Estoppel Fee – Condo Cert	\$156./ea.	
Director Meetings	\$ 95.00/hr.	
Special Meetings	\$ 95.00/hr.	
Clerical Staff	\$ 45.00/hr.	
Pool - Portal and Fob Key updates	\$ 150.00 monthly**	
Club House – Calendar Portal and Fob Key updates	\$ 150.00 monthly **	
Irrigation System correlation/assistance	\$ 150.00/ monthly**	
Non-compliance processing to attorney	\$ 40.00/hr.	
Certified mailings	\$ 30.00/pc.	
File a Lien	\$ 200.00/ea.	
Request for Lien	\$ 40.00/ea.	
Request for Judgment	\$ 40.00/ea.	
Non-Payment of Assessments	\$325.00/ea.	
Drive through inspections (2 hr. min.)	\$ 45.00/hr.	
Unscheduled clerical work	\$ 45.00/hr.	

** Fee charged monthly for a 12-month period.

*see fee schedule

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Transfer fees	\$	NC
Quarterly Newsletters - Emailed	\$	NC
Website Access/Maintenance	\$	NC
Contact Email Account	\$	NC
6 Drive-through Inspections (premium service)	\$	NC
Regular Annual Meeting (premium service)	\$	NC
Out bound mail (each one page piece of mail)		\$1.25/ea.
Paper		\$0.06/ea.
Copies (B&W)		\$0.25/ea.
Copies (Color)		\$1.30/ea.
Envelopes		\$0.37/ea.
Postage		\$USPS/ea.
Estoppel Fee – Condo Cert		\$235./ea.
Director Meetings	\$	95.00/hr.
Special Meetings	\$	95.00/hr.
Clerical Staff	\$	65.00/hr.
Pool - Portal and Fob Key updates	\$	150.00 monthly**
Club House – Calendar Portal and Fob Key updates	\$	150.00 monthly **
Irrigation System correlation/assistance	\$	150.00/ monthly**
Non-compliance processing to attorney	\$	40.00/hr.
Certified mailings	\$	45.00/pc.
File a Lien	\$	200.00/ea.
Request for Lien	\$	40.00/ea.
Request for Judgment	\$	40.00/ea.
Non-Payment of Assessments	\$	325.00/ea.
Drive through inspections (2 hr. min.)	\$	45.00/hr.
Unscheduled clerical work	\$	65.00/hr.

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