

# **COMMUNITY ASSOCIATION MANAGEMENT SERVICES, INC. SERVICE AGREEMENT**

The Rollingwood Unit No. 6 Homeowners Association, a California Corporation, hereinafter referred to as "The Association," and Community Association Management Services, Inc., (CAMS), hereinafter referred to as "Agent," in consideration of the mutual promises made herein, agree as follows:

## **ARTICLE 1. TERM OF AGREEMENT**

### **Specified Period**

Section 1.01. The initial term of this Agreement shall be for one year, commencing on July 1, 2021. This Agreement shall automatically renew on this anniversary date each year thereafter unless either party gives a written notice of non-renewal at least sixty (60) days prior to the expiration of the annual renewal date.

### **Contract Terms Defined**

Section 1.02. As used herein, the phrase "service agreement" refers to the entire period of management of The Association by Agent, hereunder, whether for the periods provided above, or whether terminated earlier as hereinafter provided or extended by mutual agreement between The Association and Agent.

## **ARTICLE 2. COMPENSATION OF AGENT**

Section 2.01. As compensation for management services to be performed hereunder by Agent pursuant to this Agreement, the Association shall pay On Thousand and Zero dollars and No Cents (\$1,000.00) per month, payable to Community Association Management Services, Inc., on or before the 5<sup>th</sup> day of the month following the month in which such fee is earned.

Section 2.02. Upon each Annual renewal, the compensation for management services due under this Agreement shall remain \$1,000.00 per month unless a request for an increase is submitted in writing to the Board at least 60 days before the contract renews.

Section 2.03. As compensation for Administrative Expenses, overhead and direct out of pocket expenses incurred by Agent in the preparation and distribution of mailings to the members, the Association shall pay One Dollar and Seventy-five cents (\$1.75) per unit, per month, on or before the 5<sup>th</sup> day of the following month. The monthly Administrative fee shall be increased as the United States postal rates for first-class mail increases, and if the costs of mailing and copy goods or supplies increase to the Agent.

Section 2.04. Agent may collect "fees" for additional administrative services performed in connection with the sale of individual homeowners' unit, including without limitation, providing copies of Governing Documents and/or Financial Reports. All such fees will be paid by the applicable buyer or seller and are not an expense of The Association.

## **ARTICLE 3. BUSINESS EXPENSES**

### **Reimbursement of Business Expenses**

#### **Section 3.01.**

- (a) The Association shall promptly reimburse Agent for all reasonable expenses incurred in connection with the performance of Agent's duties.
- (b) Each such expenditure shall be reimbursable only if Agent furnishes to The Association adequate records and other documentary evidence required by federal and state statutes and regulations issued by the appropriate taxing authority for the substantiation of that expenditure as an income tax deduction.
- (c) Agent shall maintain the previous fiscal year's files and records at their office for The Association. Should the Agent store other files and records for the Association, the monthly storage fees for The Association shall be no/100 dollars (\$0.00) per file box.

## **ARTICLE 4. BOOKS AND RECORDS**

### **General Description**

Section 4.01. The Association shall provide to Agent all records of The Association, which will facilitate the ability of Agent to perform its duties under this Agreement. Agent shall maintain the current fiscal year's and the previous fiscal year's books and records of The Association and shall make all such books and records available for inspection and copying by the Board, the Officers, Association Members, as defined by California Civil Code, or other authorized agents of The Association during regular business hours.

Section 4.02. Agent shall establish and maintain such bank accounts for The Association, as the Board shall direct. All funds of The Association handled by Agent shall be deposited in a timely manner into the proper accounts, and Agent shall maintain a record of all deposits and imbursements from said accounts, which records shall be available for inspection and copying by the Board and any Officers during regular business hours.

All funds handled for The Association by the Agents shall be handled in accordance with California Civil Code § 5380 or its subsequent revisions.

Section 4.03. Except as otherwise specifically set forth in this Agreement, all acts taken and all obligations or expense incurred by Agent in the performance of its duties under this agreement shall be for the account on behalf and at the expense of The Association; however, The Association shall not be obligated to pay the overhead expenses for any office maintained by Agent outside the Common Areas. Agents shall not be obligated to make any advance to or for the Account of The Association, but if Agent should do so, The Association shall promptly reimburse Agent therefore.

Section 4.04. Agent shall have no obligation or duty to prepare and file Federal or State Tax returns or Statements on behalf of the Association. However, Agent shall cooperate fully with any accountant or other individual retained by the Association to prepare tax returns, including providing access to all records of The Association in Agent's possession.

Section 4.05. Agent shall collect all monthly assessments levied by the Association against the Members. Agent shall enforce all provisions of The Association's published policies and procedures regarding the collection of delinquent assessments. The Association shall remit to The Agent fifty percent (50%) of all late fees collected from the Members to compensate Agent for time and expenses incurred by Agent in connection with the collections of delinquent assessments and shall retain the remaining fifty percent (50%) of such late charges.

Section 4.06. Agent shall render to the Board, one week prior to its regular meeting a written statement of receipts and disbursements handled by Agent on behalf of The Association for the immediate preceding month. All such statements and all other financial reports prepared by Agent for the Board and/or the Members shall be prepared according to the standard accounting formats used by Agent and incorporated into the accounting systems and software utilized by Agent. If the Board shall direct Agent to prepare financial reports utilizing different account formats, The Association shall compensate Agent for time spent by personnel of Agent in preparing such specialized report which exceeds the time required to prepare financial report under Agent's normal formats at the rate of One Hundred Twenty-five and no/100 dollars (\$125.00) per hour.

Section 4.07. Agent shall prepare for review by the Board, a proposed Annual Operating Budget for The Association, and Board shall cooperate fully with Agent in providing information necessary for Agent to prepare the proposed Budget.

## **ARTICLE 5. DUTIES AND OBLIGATION OF AGENT**

### **General Duties**

Section 5.01. Agent shall have the title and serve as the Manager of Rollingwood Unit No. 6 Homeowners Association, a California Corporation; Agent shall do and perform all services, acts or things necessary or reasonable to manage and conduct the business of The Association, subject at all times to the policies set by The Association's Board of Directors.

### **Loyal and Conscientious Performance of Duties**

Section 5.02. Agent agrees that, to the best of Agent's ability and experiences, Agent will at all times loyally and conscientiously perform all the duties and obligations required of Agent by the terms of this agreement.

Section 5.03. Agent shall attend Three (3) regular meetings of the Board during the period of January through November, and One (1) Annual Meeting of the Members of The Association between the hours of 8:00 a.m. and 9:00 p.m., Monday through Thursday, legal holidays excepted, subject to reasonable scheduling conflicts of Agents; however, if Agent is required to attend any meeting that exceeds two (2) hours from the scheduled time of

commencement, for each staff member of Agent requested by The Association to be present, Agent shall be compensated at the rate of One Hundred Twenty-five and no/100 dollars (\$125.00) per hour for each additional hour that such staff person shall remain; provided, further, that if Agent is required to attend more than the number of Board meetings stipulated herein, or more than one (1) meeting of the Members of The Association in any year, then for each staff member of Agent requested by The Association to attend any such additional meeting, Agent shall be compensated at the rate of One Hundred Twenty-five dollars (\$125.00) per hour. Should any such meeting hereunder be adjourned for lack of a quorum, Agent shall be compensated for minimum of two (2) hours. Fractions of an hour shall be paid to the next nearest quarter hour (i.e., 1-15 minutes shall be compensated as  $\frac{1}{4}$  of an hour). The Agent shall have no obligation to attend meetings on weekends or holidays.

Section 5.04. Agent shall cause Common Areas to be inspected on a monthly basis, which the Association is obligated to maintain, and shall, provide the Board with a written report of its findings.

Section 5.05. Agent shall cause all Common Areas and Common Facilities to be maintained in a safe, sanitary, workable and attractive condition and may disburse or commit funds of The Association therefore; however, The Agent shall not, without the prior approval of The Association, incur an expense greater than Five Hundred and no/100 dollars (\$500.00) for any single item of maintenance, repair or replacement, except for emergency repairs requiring immediate action to alleviate imminent danger to life or property or is immediately necessary for the preservation and safety of property of The Association or the health and safety of any individuals as a result of matters within the Common Areas or within the maintenance responsibilities of The Association is obligated to provide to the Members, in which case Agent may take such actions and pay or incur such expenses on behalf of The Association as are reasonably necessary to meet such emergency. Notwithstanding the foregoing, Agent shall, if at all possible, notify and confer with the Board or appropriate Officers prior to making such emergency expenditures. Agent shall not incur any liability maturing more than one year from the creation thereof without the prior approval of the Board.

Section 5.06. No Rebates, Discounts or Commissions. Agent shall not collect or charge any undisclosed fee, rebate, discount, or commission in connection with any business of the Association. Any such fee, rebate, discount or commission, if received, shall be the property of the Association, shall be immediately credited to the Association's account and shall be made an agenda item by the Agent for the next Board meeting.

Section 5.07. Conflict of Interest. Agent shall not accept from any party providing goods and services to the Association, including vendors and independent contractors, any remuneration or consideration in any manner or form as consideration for or inducement to Agent for using the party's goods or retaining their services on behalf of the Association. All such benefits shall be the property of the Association.

Section 5.08. Affiliated Interest. Agent shall not enter into any agreement to provide goods or services to the Association with any party, partnership, corporation, or other entity related to or affiliated with Agent, its directors, officers, or employees without prior written disclosure to the Board.

Section 5.09. Agent shall remain available to The Association by telephone, twenty-four (24) hours per day to respond to emergencies, which shall be defined as matters that constitute a real and immediate danger to the Common Areas, Common Facilities or the health and safety of any individual as a result of any condition within the Common Area.

Section 5.10. Agent shall maintain logs from members of The Association relating to the affairs of The Association and shall record in the log all signed complaints and signed service requests received. Any such signed complaints or signed service request of a serious nature shall be, after thorough investigation, submitted in writing to the Board with Agent's recommendation for disposition.

Section 5.11. Upon approval by the Board, Agent may enter into contracts on behalf of and in the name of The Association for water, electricity, gas, telephone, vermin extermination, gardening, cleaning of the parking areas and sidewalks within the Common Areas and other necessary service, and may purchase or lease, at the expense of The Association, such equipment, tools, appliances, material and supplies as are reasonably required for performance of The Association's obligations, which items shall be the property of The Association.

Section 5.12. Agent shall cooperate fully with any accountant, attorney or other professional retained or employed by The Association. All costs and compensation due to any such professional relating to the business and affairs of The Association shall be borne by The Association.

Section 5.13. When required by the Board or by law, personnel of Agent shall appear and testify at depositions, court hearings, arbitration's and settlement conferences. Agent shall respond to all written interrogatories in connection with The Association's matters at the rate of One Hundred Twenty-five dollars (\$125.00) per hour for each such appearance or response by personnel of Agent.

## **ARTICLE 6. ADMINISTRATIVE SERVICES**

Section 6.01. Agent will perform the following services, without additional charge to The Association for printing, duplication and mailing costs incurred by The Agent beyond payment to The Agent of the Monthly Administrative Fee.

Section 6.02. Prepare, copy and mail monthly board packets including:

- Notice of Agenda
- Agenda
- Copy of Previous Meeting Minutes
- Management Report
- Copies of Committee Reports
- Contracts and Proposals
- Copies of Correspondence
- Maintenance/Activity Logs
- Financial Reports (Includes Balance Sheet and Income Statement)

Section 6.03. Process and mail and/or email statements to the Members, with return-envelopes, together with a one-page newsletter (quarterly), as prepared by the Association (with such statement).

Section 6.04. Mail and/or email such newsletter produced by the association to each member and to each tenant-occupied dwelling within the real property development for which the Association has assessment collection authority.

Section 6.05. Prepare, copy and mail all pertinent correspondence and violation notices to members, as required.

Section 6.06. Prepare, copy and mail late payment notifications to each of the Members who have failed to pay any assessment due to the Association by the late charge date, plus an additional pre-lien demand when required.

Section 6.07. Prepare, copy and mail all annual mailings that the Association is required to make to the members under Civil Code Section §5330.

## **ARTICLE 7. TERMINATION OF CONTRACT**

### **Termination for Association or Agent**

Section 7.01. Either party may terminate this Agreement, without cause, by giving the other party sixty (60) days written notice.

Section 7.02. Within ten (10) days of any termination of this Agreement, Agent shall deliver to The Association all records and accounts of The Association in Agent's possession or control.

## **ARTICLE 8. GENERAL PROVISIONS**

### **Notices**

Section 8.01. Any notices to be given hereunder from either party to the other shall be in writing and be transmitted by personal delivery or by mail, registered or certified, postage prepaid, with return receipt requested. A notice shall be deemed given on the date of service if served personally, or on the second business day after mailing, if mailed. Mail notices shall be addressed to the parties at the following addresses:

- (a) Any notice to The Association under this agreement shall be given in writing, addressed to the Board at its place of business.
- (b) Any notice to Agent shall be addressed to The Agent's address as shown in the contract.

If to the Association:

Rollingwood Unit No. 6 Homeowners Association  
Jim Aleschus, President  
5125 Long Canyon Dr.  
Fair Oaks, CA 95628

If to The Agent, to:

Community Association Management Services, Inc.  
Sharon Johnson, President  
601 Commerce Dr., Ste. 150  
Roseville, CA 95678

#### Arbitration

#### Section 8.02.

- (a) In the event of any dispute arising between the parties concerning termination of this agreement, the parties agree that the exclusive forum for resolving any such dispute will be private arbitration under California Code of Civil Procedure Section §5925, et seq.
- (b) If the Agent claims a violation or misapplication of the termination provisions, Agent must give The Association written notice of Agent's claim within fifteen (15) business days after the effective date of the notice of termination. The notice required in this section may be given to The Association by the procedures described in Section 8.01, addressed to the President at the President's address.
- (c) If a demand for arbitration is made, an arbitrator will be selected by mutual agreement of the parties. If they cannot agree, they will request an arbitrator from the American Arbitration Association.
- (d) If arbitration is commenced to enforce or construe the termination provisions of this Agreement, the non-prevailing party shall bear the cost of arbitration or in such proportion as the arbitrator(s) decide.

#### Attorney's Fees and Costs

Section 8.03. If an action at arbitration, at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which that party may be entitled. This provision shall be construed as applicable to the entire contract.



## Entire Agreement

Section 8.04. This Agreement supersedes any and all other Agreements, either oral or in writing, between the parties hereto with respect to the Agent by The Association and contains all of the covenants and agreements between the parties with respect to the services in any manner whatsoever. Each party to this Agreement acknowledges that no misrepresentation, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which is not embodied herein, and that no other agreement, statement, or promise not contained in the Agreement shall be valid or binding on either party. This Agreement is effective as of July 1, 2021.

## Modifications

Section 8.05. Any modifications to this Agreement will be effective only if it is in writing and adopted by a majority of the duly-elected Board of Directors and Agent at an executive session meeting of the Board.

## Effect of Waiver

Section 8.06. The failure of either party to insist on strict compliance with any of the terms, covenants, or conditions of this Agreement by the other party shall not be deemed a waiver of that term, covenant, or condition, nor shall any waiver or relinquishment of that right or power for all or any other items.

## Partial Invalidity

Section 8.07. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

## Law Governing Agreement

Section 8.08. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

## Release of Liability/Indemnity

Section 8.09. The Association shall indemnify, defend at its sole cost, and hold harmless Manager and its employees, managers, officers, and directors from and against any and all claims, demands, losses, costs, expenses, obligations, liabilities, judgments, orders and damages, including interest, penalties and attorney's fees, that Manager shall incur or suffer which arise, result from or relate to the performance by Manager of its duties under this agreement, except for the willful misconduct or gross negligence of Manager. Manager will be responsible only for any willful misconduct or gross negligence where such liability is due to the sole conduct of Manager and/or its employees in the performance of its duties under this Agreement. The provisions of this section 8.09 shall apply equally to the Inspector of Election Services, if performed by Manager; and shall survive any expiration or termination of this Agreement.




## Insurance Coverages


Section 8.10. Within thirty (30) days of signing this Agreement, The Association shall cause Agent to be named on its insurance policy as an additional insured. Upon signing of this Agreement, Agent shall provide The Association a Certificate of its insurance coverages.

Executed on this date of May 18, 2021 at Fair Oaks, California.

The Association:

  
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Jim Aleschus, President  
Rollingwood Unit No. 6 Homeowners  
Association

Agent:

  
\_\_\_\_\_  
Sharon Johnson, President  
Community Association Management  
Services, Inc.