

MANAGEMENT AGREEMENT

Agreement made and entered into this 24th day of APRIL, 2012, by and between Highland Timbers Homeowners' Association, Inc. known as Association, a not-for-profit corporation, and High Sierra Management, Inc., hereafter known as HSM (Agent).

This agreement shall be for one (1) year/s commencing JULY 22, 2012, and will automatically renew for successive terms unless amended by Association and Agent, subject however, to the Association's Articles of Incorporation, By-Laws, and the recorded Declaration within sixty (60) prior to the renewal date. This Agreement may be terminated without cause by either party with 60 days written notice sent by certified mail prior to the renewal date. HSM shall continue all services per this agreement unless fees are not paid upon request.

High Sierra Management, Inc. shall provide the services set forth below for a Management fee of \$500.00 per month for a period of one year from the date of signing. High Sierra Management will also charge a set up fee in the amount of \$250.00.

FISCAL MANAGEMENT

- A. Maintain an Association Assessment ledger for each Homeowner.
- B. Receive and post monthly assessments, special assessments and other miscellaneous payments and deposit all receipts to the Association's bank accounts.
- C. Send "Past Due" notices to delinquent Homeowners and prepare a monthly delinquency report for Board information and necessary action.
- D. Receive, review, and pay all invoices for the Association.
- E. Prepare monthly Financials including a Balance Sheet, Income and Expense Statement, supporting documents and Check Disbursements.
- F. Assist in the preparation of a detailed budget. Present and explain same to Board for approval.
- G. File liens per Association's collection policy/Coordinate collection information with legal counsel.
- H. Mail all necessary tax and corporate forms.
- I. Make accounting records available to all unit owners during regular business hours by appointment.

PHYSICAL MANAGEMENT

- A. Coordinate with the Board of Directors, all maintenance for the common elements as described in the Declaration.
- B. In conjunction with the Board of Directors, solicit, receive, evaluate and present to the Board, bids for major services such as, but not limited to, landscape care, recreation amenity maintenance, and other projects as the Board may request.
- C. Physically inspection of property **once monthly**.
- D. Maintain a Work Order Department.
- E. Supervise on Site staff.
- F. Deed Restriction inspection **monthly**.

ADMINISTRATIVE MANAGEMENT

- A. Obtain quotes for insurance coverage as requested by the Board of Directors.
- B. Assist in resolving individual Homeowner's concerns as they pertain to the Association, common elements and governing rules and regulations.
- C. Attend one two hour Board of Directors meeting **quartly** and one homeowners meeting **per year** to provide information and answer questions pertaining to financial statements, maintenance projects, etc. Managers' attendance at meetings is limited to two hours Monday through Thursday. Additional time or meetings requested will be billed to the Association at \$75.00 per hour.
- D. In conjunction with and on behalf of the Board, employ and terminate all employees and contractors hired by the Association.
- E. Stay abreast of local and national laws and legislation affecting the community and its operations through industry professionals.
- F. Maintain availability 24 hours a day through our Answering Service and cell phone network in case of emergencies.
- G. **HSM shall record minutes of meetings.**
- H. HSM shall maintain current Association files and the last fiscal year records for the Association. If storage of records is required, arrangements will be made available.
- I. Coordinate Architectural Control issues with the Board and/or Committee.
- J. Agent will be named as an Additional Insured on Association's Insurance.
- K. Agent will assist Association in contracting for adequate property and liability Insurance for Association and Board of Directors.

****Description of Additional Charges found as Exhibit and subject to change with notice****

In addition to the above fees, the following expenses or fees will be paid or reimbursed to HSM:

- A. A transfer fee of \$175.00 will be charged on all sales and re-sales will be charged \$75.00. Said fee to be paid by the seller/purchaser. There will be no expense to the Association.
- B. A \$100.00 lien fee for preparing, recording, processing and releasing liens. Said fee to be paid monthly by the Association and charged to the individual Homeowners account.
- C. A charge of \$25.00 for each "insufficient funds" check received. Said charge to be paid monthly by the Association and charged to the individual Homeowners account.
- D. A one-time charge not to exceed \$10.00 per unit for each special assessment passed by the Association and handled by the Agent. Said charge to be paid by the Association.
- E. All out-of-pocket expenses incurred by the Agent on behalf of the Association such as postage, printing, copies, pager, etc. Said expenses to be billed and paid monthly by the Association.
- F. A \$15.00 charge for an Ownership and Encumbrance Report. Said charge, if required, to be paid by Association and billed to individual owners' account.
- G. A charge of \$75.00 per hour for any work involving an Insurance claim. Said charge will be included in the claim to the Insurance Company.
- H. Fees for services required by the Association outside of the contractual terms of this agreement will be billed at \$100.00 per hour. (Special Projects)
- I. Create and maintenance of community website for a cost of \$250.00 for set up and \$50.00 per month for maintenance ***should the Association elects to participate.***

INDEMNIFICATION

The Association shall reimburse High Sierra Management for necessary and proper expenses, payable to third parties, incurred pursuant to this Agreement. The Association shall also indemnify and hold High Sierra Management harmless from and against all costs of litigation, including, but not limited to, attorneys fees, penalties or damages of any kind or nature whatsoever, incurred in connection with or resulting directly from the performance of the Agreement; provided, however, High Sierra Management shall not be relieved of liability incurred as a result of its negligent acts or omission.

AGREEMENT TO BE CHANGED IN WRITING ONLY

This agreement shall constitute the entire agreement between contracting parties and no variance or modification thereof shall be valid and enforceable except by agreement in writing by either party.

SALES TAX

Association acknowledges that sales tax must be paid, as required by State Law, on certain products and services. All sales tax collected by agent shall be timely remitted to the State Comptroller by Agent. Agent shall make a good faith effort to determine and collect sales tax due; however, in the event of an audit by the State Comptroller regarding sales tax, all sums determined to be due by the Association shall be paid by the Association.

Executed this 24th day of APRIL, 20 12.

ASSOCIATION: Highland Timbers Homeowners Association, Inc.

By: Douglas P Smith
(Print Name)
[Signature]
(Signature)
PRESIDENT HHA
(Title)

Attest: Jonathan Westbrook
(Print Name)
[Signature]
(Signature)
DIRECTOR
(Title)

MANAGEMENT COMPANY: High Sierra Management, Inc.

By: [Signature]
Tami Martin, Vice President

Attest: [Signature]
Sherri Carey, President