

THIS AGREEMENT is entered into this ____ day of ____, 20____, by and between the following parties:

- a. The Cinnamom Lakes Condominium Association of Unit Owners (hereinafter referred to as "Association") by and through its authorized Board of Directors (hereinafter referred to as "Board") and
- b. AMS | Association Management Services NW LLC (hereinafter referred to as "Agent").

RECITALS

WHEREAS, Association is authorized through its Board to manage and operate the property located in Salem, Oregon hereinafter referred to as "Association" and

WHEREAS, Association, by and through its Board, desires to employ and delegate to Agent, the management of the Association and

WHEREAS, Agent is willing to manage the property on the terms and conditions and promises contained herein, the parties do agree as follows:

- 1. TERM OF AGREEMENT.** The term of this Agreement shall be for two (2) years commencing on this 1st day of August 2024. This Agreement shall thereafter renew biennially (subject however to the provisions of Paragraph 17) in the absence of written notice of termination, given by either party to the other, not less than sixty (60) days prior to the expiration of either the initial or any renewal of this Agreement. Request for renegotiation of management fees or other services require a 90 day notice prior to the expiration of the initial or any renewal term. In the event this Agreement is automatically renewed, Agent's management fee shall increase five (5) percent upon renewal date.
- 2. GENERAL DESCRIPTION OF MANAGER'S DUTIES.** It shall be the duty of the Agent during the period of this Agreement to perform the Services described in this Agreement, and provide counseling and advice to the Association's Board of Directors, officers, and committees in accordance with generally accepted industry standards in the area of community association management. Agent shall undertake best efforts to implement the decisions of the Board, subject to the compensation schedule and the limitations contained in this Agreement. It shall be the duty of Agent to operate and maintain the Association's Areas of Common Responsibility in a manner consistent with all federal, state and local laws, ordinances and regulations, with prevailing community association industry standards, and with the overall plan of the Association, as reflected in the policies adopted by the Board. It is further understood and agreed that the authority and duties conferred upon the Agent under the terms of this Agreement are confined to the Areas of Common Responsibility as defined in the Declaration of Covenants, Conditions and Restrictions for the community represented by the Association ("Declaration") and the Bylaws, Rules and Regulations of the Association, and the requirements imposed upon the Association by the recorded plat of the community (herein sometimes collectively referred to as the "Governing Documents"). The authority and duties of Agent do not and shall not include supervision, management, or interior maintenance of individual Units, except as may be required by the Declaration or covered by separate agreement. If not defined in the Declaration, the Areas of Common Responsibility are those common areas or elements, limited common areas or elements, easements, licenses, leases and any other interest, right or responsibility related to real property to which the Association has been assigned a duty under the Governing Documents.
 - 2.1. Limitation Upon Agent's Duties-Practice of Law. It is understood that the Agent is not authorized to practice law. The Association understands that the Agent is not a law firm and does not provide legal services. This Agreement does not include the rendering of legal services by Agent, or any attorney-at-law employed by Agent. If legal assistance is necessary, at the direction of The Board, Agent will engage independent legal counsel and all legal fees, costs and expenses attendant to that engagement shall be an operating cost of the Association.
 - 2.2. Limitation Upon Agent's Duties – Accounting Services. It is understood that Agent is not authorized to practice as a Certified Public Accountant. Any services of a Certified Public Accountant required by the Association shall be provided by an independent Certified Public Accountant engaged by the Association and all fees, costs and expenses attendant to that

engagement shall be an operating cost of the Association. In accordance with Oregon State statutes (ORS 94.670(4) and ORS 100.480(4)) communities with annual assessments of \$75,000 or greater are required to have the annual financial statement reviewed by an independent certified public accountant, unless waived by a vote of 60% of the membership, however, the Association's governing documents may require an audit.

3. SCOPE OF SERVICES. Association hereby authorizes and employs Agent to perform the following designated services:

- 3.1. Bookkeeping/Accounting Services. The agent shall collect, and as necessary, receipt all monthly or other assessments and other charges due to the Association for operation of the Association. Agent is expressly authorized to request, demand, collect, receive and receipt for any and all items set forth above, and to take all such actions in the name of the Board of Directors and/or the Association by way of legal process or otherwise as may be required for the collection of outstanding amounts. Agent is expressly authorized to execute on behalf of the Association and/or the Board of Directors such liens, notices of liens, releases of liens, complaints and such other legal documents as may be deemed necessary in furtherance of the collection of any of the items set forth above. Agent shall furnish the Board with an itemized list of all delinquent accounts upon request. Agent refers to the Board of Directors those decisions related to matters being referred to the Association's attorney including, but not limited to collections, foreclosure, compliance, general litigation, bankruptcy, etc.
 - 3.1.1. Records of Income and Expenditures. The Agent shall maintain records showing all its receipts and expenditures relative to the Association including a statement indicating the balance or deficit in the Association's account managed by the Agent. In the event expenditures and/or disbursements shall be in excess of the monthly assessments or other income collected by Agent, Association shall fund such deficiency promptly upon demand by Agent.
- 3.2. Agent is authorized to perform accounting/bookkeeping services relating to the following areas:
 - 3.2.1. Assessments
 - 3.2.2. Special assessments and Working Fund Contributions
 - 3.2.2.1. Non-routine invoices or statements such as special assessments or individual payment plans are subject to additional fees as listed on the Exhibit B Other Charges and Services
 - 3.2.3. Late fees/fines/interest
 - 3.2.4. Maintenance Fee Collection
 - 3.2.5. Attorney's fees and costs
 - 3.2.6. Lien filing and release fees
 - 3.2.7. Supplies and maintenance for the common areas
 - 3.2.8. Other items that are a normal part of the Association's operations
- 3.3. Billing and late fees. A specific due date shall be established for assessments. Monthly, quarterly, semi-annual or annual billings for assessments and/or maintenance fees are an optional service available to the Association. The Board shall adopt a late fee and collection policy within 60 days of the commencement of this Agreement. A late fee, in an amount determined by the Board, shall be levied on those individuals who do not make their payments within the time specified by the Board. Such late fee(s) may be waived at the discretion of the Agent upon a showing by the owner of reasonable justification therefore.
- 3.4. Delinquent Accounts. Agent will have the authority to initiate reasonable steps for collection of delinquent assessments. Additional fees are charged for collection of delinquent accounts including but not limited to processing fees, lien filings and collection costs. The Association is responsible for the initial cost of lien filing and recording and the delinquent owner is assessed those charges. Agent shall be compensated 50% of late charges billed to delinquent accounts. Agent records liens, however execution of liens i.e. judgments, garnishments, etc. are referred to Association's general counsel or collection agency of Association's choice.
- 3.5. Payment of Expenses. From the funds of the Association, Agent shall pay taxes, building fees, inspection fees, Agent's management fees, utility fees and other governmental charges or obligations incurred with respect to the maintenance or operation of the Association and all charges incurred by the Agent on behalf of the Association pursuant to the terms of this Agreement or pursuant to such other authority as may have been granted by the Association to Agent.
- 3.6. Provide for Initial Deposit. Immediately on commencement of this Agreement, the Association shall remit to Agent the sum of \$5,000 to be deposited in the account(s) established for the Association pursuant to paragraph 3. This is made payable to the Association and is utilized to open accounts in the name of the Association and cover transition expenses.
- 3.7. Financial and Management Reports. Agent shall render monthly financial reports, prepared on an accrual basis, showing all receipts and disbursements, net cash gain or loss, cash on hand and reserve accounts. The Board determines those authorized to receive the reports. Monthly financial reports are provided within 20 days of the closing of the month. Timing for distribution of annual financial statements will depend on completion of work by the Association's accounting firm.
- 3.8. Management Report. The Management Report typically will include the current status of the physical property of the community association, the status of any contracts and contract negotiations, a status report on any action items previously assigned to the Agent and not subsequently reported to the Board as complete, any significant violations of the Governing Documents, any actions or occurrences involving security, vandalism, insurance claims, and such other items that the Agent

from time to time feels appropriate and informative to the Board. The information and timing of distribution may vary at the discretion of the Agent. Management reports are only provided at request for an Accounting Plus contract and will utilize management hours within that month. If the Board requests a management report be provided it will be provided 3 business days prior to the meeting. The Board must request this report with a minimum of 15 business days from the assigned Association Business Manager.

- 3.9. **Financial Records.** Agent shall maintain a system of office records and account in a professional manner. Agent recommends to the Board that a policy be adopted to provide for reimbursement to the Association for additional copies of records and related expenses incurred by individual owners.
 - 3.9.1. **Delivering of Information.** The Association shall be responsible for delivering to the Agent the Association's records, monies, contracts and all other pertinent information. A transition fee will be charged by the agent (see Exhibit A, Management Fee Schedule) to cover costs to receive, process and setup the Associations records.
 - 3.9.2. **Final Reports.** Final reports of Association bookkeeping records are provided at conclusion of services. Agent retains intellectual property rights of records and documents produced by Agent for use by clients. Many of the documents developed by Agent for use with clients are part of Agent's copyright privileges and are not available for use by others.
 - 3.9.3. **Records.** Operating and current records of the Association are maintained at the Agent's office. Excess records and storage of material is subject to additional fees as listed on the attached Exhibit B, Other Charges and Services. Agent agrees to maintain and store all corporate, administrative and operational records for the current fiscal year at Agent's place of business.
- 3.10. **Bank Accounts.** Agent is authorized to establish and maintain bank accounts in the name of the Association, in a bank with deposits insured by the Federal Deposit Insurance Corporation and in a manner to indicate the custodial nature thereof. Agent shall not be liable for any funds so deposited in the event of either the Bankruptcy or other failure of any such depository so utilized. All expenses of operation and management may be paid from Association funds held by Agent including expenses for a custodial lock box bank account. Agent utilizes a specified bank(s) of Agent's choice for deposit of Association funds for the operating account. The Board of Directors may choose a separate depository for reserve funds. All bank and investment reporting statements are to be mailed directly to Agent's office for use in preparing financial statements for the Association. In cases where this information is not provided to Agent, it will not be contained within the financial statements. Agent shall have no obligation to advance funds to Association for any purpose whatsoever. Agent shall have no responsibility for the actions of individual Board members that have signature authority on the Association's bank accounts and other financial instruments of the Association. The Board of Directors is responsible for determining when and where long term investments of Association funds are made, other than the regular bank checking and savings/money market accounts. It is understood that Agent is not authorized to act as an investment consultant.
- 3.11. **Budget and Capital Reserve Plan.** Agent will work with the Association Board, or its designated representatives, in the preparation and submittal to the Board for approval of an annual budget, to be used for the determination of maintenance fees for the ensuing year. Agent shall also work with Association Board in forecasting future capital maintenance/replacement needs of the Association, pursuant to the Association's reserve study and maintenance plan. Preparation of capital reserve budget studies that meet State of Oregon statutes for condominium and planned communities are subject to additional fees, depending on the status of existing studies and the specific needs of the Association. New clients are required to provide a copy of the reserve study and current maintenance plan. If not available and is required by state statute or governing documents, the Agent is authorized to contract for a reserve study and/or maintenance plan within 90 days of commencement of this Agreement.
- 3.12. **Utilities and Service Contracts.** Subject to the direction of the Board, Agent shall negotiate and execute on the behalf of the Association contracts for water, electricity, gas, telephone, and such other services for the common elements of the Association as may be necessary or advisable. Agent shall also purchase on behalf of Association such equipment, tools, appliances, materials, and supplies as may be necessary for the proper operation and maintenance of the Association. All such purchases and contracts shall be placed in the name of the Association. Association hereby authorizes Agent to execute on behalf of Association any and all such instruments as may be necessary to establish charge accounts in Association's name with vendors and suppliers. Association shall at all times be solely responsible for payment of any and all outstanding charges due to such vendors and suppliers.

4. OTHER SERVICES.

- 4.1. **Covenants, Conditions and Restrictions.** In accordance with the covenants, conditions and restrictions of the Association, Agent shall enforce them accordingly and at the direction of the Board of Directors. The Association shall have in place a Resolutions Program with procedures to handle collection, maintenance, and violations. If the Association does not have a program in place at the commencement date of this Agreement, the Board agrees to adopt such a program within 60 days. Complaints by members of the community are to be in writing and based on procedures established by the Board of Directors. Non-routine items may be forwarded to the Board of Directors for resolution. State statutes may require specific

implementation of certain procedures. The Association agrees to permit Agent to use Agent's routine procedures for managing these regulations.

- 4.2. Site Visits. Agent's representative shall periodically visit the site and review the property for the purpose of viewing landscaping or other contracted services and/or making recommendations for other areas needing attention. Agent's periodic site visits will be performed Monday-Friday from 8am to 5pm. It is generally recommended that one or more members of the Association Board participate in those site reviews and provide on-going review of the community and notify Agent of maintenance and other needs. Detailed compliance inspections are performed on an additional fee basis as set forth on Exhibit B Other Charges and Services.
- 4.3. Attendance at Board Meetings. Agent agrees that one of its employees shall be the designated Association Business Manager for the Association. The Association Business Manager shall attend meetings called by the Board or by the members of the Association as specified in Exhibit A Management Fee Schedule. A tentative meeting schedule for the upcoming year will be established by the Board no later than 30 days after the annual meeting. Changes to the meeting schedule will require confirmation from the Association Business Manager as to availability of attendance. The Agent shall be the custodian of the official records of Board and the Association; however, the accuracy of those records is the express responsibility of the Association.
- 4.4. Owner Registration. Agent maintains a detailed list of current owners of the Association for Agent's use in performing its duties. Current owner lists are available to Board Members and to members by written request. Agent reserves the right to utilize its current list of owners to offer the Association and individual owners other services of Agent.
- 4.5. Maintenance of Common Areas. Subject to the direction and at the expense of Association, Agent shall cause the common areas of the Association to be maintained in accordance with appropriate standards of maintenance, consistent with the character of the Association. Such maintenance shall include without limitation, the cleaning, painting, decorating, and such repair work, landscape and grounds care as may, in Agent's determination, be necessary. It is acknowledged that Agent offers maintenance and repairs services including but not limited to plumbing, carpentry, electrical, painting, and vinyl replacement. The rates charged will be at or below the cost of competitive market services and will be adjusted periodically to reflect changes in cost, skill and experience in the person performing the work. All repairs services performed by Agent's personnel will be detailed on an itemized billing which is made part of the Association's permanent accounting records.
 - 4.5.1. For liability purposes for all parties involved, Agent requires vendors who perform on site services within the Association boundaries be properly licensed, credentialed and insured. This includes verification of professional licenses, contractor licenses, liability insurance, workman's compensation and other verifications where applicable. Vendor verifications are performed by third party service and are subject to a subscription and renewal fee paid by the vendor to the third party.
- 4.6. Bid Acquisition. Bids for goods and/or services will be requested from third party vendors for any one single charge that Agent determines will be in excess of \$5,000.00. Detailed bid specifications required by larger projects will be written by a third party or other professional with any work provided by the Agent to be billed at an hourly rate and subject to Board approval.
- 4.7. Major Maintenance, Renovation and Reconstruction. Fees for capital project management services will be stated under separate agreement. This is specific to Agent actually performing the over-site of the capital project only.
- 4.8. Work Order Request. Agent may receive requests from owners for services concerning those portions of the community association, which the Association is responsible to maintain. Maintenance requests or complaints concerning Areas of Common Responsibility received by Agent are available for Board review.
- 4.9. Maintenance Response. Agent provides a 24/7 emergency response call program. Onsite service calls will be billed at an hourly rate for day, night, weekend or holidays as appropriate.
- 4.10. Insurance Claims. Agent will administrate insurance claims for the Property including submitting necessary paperwork and documentation, negotiating with claims specialists, and securing a reimbursement check for the Association in a timely manner. The cost of managing each insurance claim will be a minimum of \$500.00 or a maximum of 7% of the total amount claimed, billed at the hourly rate of the employee providing the service. Agent will make reasonable efforts to have the insurance company reimburse the additional management expense associated with the claim.
- 4.11. IT On-Site Equipment Support. Agent will provide support to the community for any on-site office equipment either for the site office or a business center. The Association is responsible to provide all office equipment for Agent to perform office duties for on-site staff. All costs associated with this equipment including software is the responsibility of the Association and property of the Association. Agent may utilize staff within the IT department and will bill at a rate outlined on Exhibit B or may utilize an outside IT support firm as necessary and any and all costs are the responsibility of the Association. Any costs in excess of \$2,500 will need prior approval from the designated Board representative.

5. **EMPLOYMENT OF PERSONNEL.** Supervisory responsibilities and associated costs are set forth in Exhibit A, Management Fee Schedule if applicable. It is understood that all employees shall be deemed employees of Agent unless mutually agreed upon. Agent may perform any of its duties through Association's attorneys, agents, or employees and shall not be responsible for their

acts, defaults, or gross negligence or neglect of such persons. All fees, salaries, taxes, insurance and other expenses payable or attributable to such persons shall be paid as operating expenses of the Association. The HOA is also bound to the standard benefit levels to include insurance, holiday pay, and any other benefits provided by AMS to employees.

5.1. **Agent's Employees.** During the term of this Agreement, and for a minimum of two years following termination of this Management Agreement the Association agrees not to employ, or offer employment to, present or immediate past employees or property managers of Agent. If the Association employs an employee or property manager during such period of time, the Association agrees to pay Agent an amount equal to the gross payroll of that employee or property manager for one year, based on the last wage level of that individual.

6. **REIMBURSABLE AND ADMINISTRATIVE EXPENSES.** In the administration of the Association, Agent may advance certain costs, services and/or provide supplies. These costs, services and supplies include, but are not limited to, postage, printing, photocopying, bank charges, mass mailings, fax charges, messenger services, and consumable supplies including envelopes, statements and stationary. All said costs, services and supplies become an expense to the Association and are reimbursable to Agent.
7. **NOT CHARGEABLE TO THE ASSOCIATION.** Agent may collect from owners, lenders, appraisers or vendors any or all of the following fees; non-sufficient fund charge, resale certificate fee, lender reporting fee, escrow questionnaire charges, vendor processing fee, settlement fee, and transfer fee and fees associated with the collection of delinquent assessments. Agent may retain discounts that are derived from entering into bulk service agreements or resulting from prompt pay discounts when discounts are inclusive of multiple associations or properties. Agent as part of Agent's compensation shall retain all such fees.
8. **LIMITATIONS ON EXPENDITURES BY AGENT.** In discharging its responsibilities under Paragraph 2 of this Agreement, Agent shall not make any expenditure nor incur any nonrecurring contractual obligation exceeding Two thousand five hundred dollars, (\$2,500.00), or such amount as may from time to time be fixed by the Board, without prior consent of the Board. No such consent shall be required to repay advancements made by Agent under the terms of Paragraph 5 of this Agreement. Notwithstanding any limitation contained in this paragraph 8, Agent may on behalf of Association and without its prior consent, expend any amount, or incur a contractual obligation in any amount required to deal with emergency situations involving either a danger to life or property or which threaten the suspension of any necessary service to Association.
9. **AGENT NOT RESPONSIBLE FOR MAINTENANCE OF INDIVIDUAL UNITS.** Notwithstanding any other provisions of this Agreement, Agent has no authority or responsibility for the maintenance of or repairs to individual dwelling units in the Association. Such maintenance and repairs shall be the sole responsibility of the Owners of such Association units. Upon request of an individual owner, Agent may provide and bill maintenance services directly to that owner.
10. **AGENT'S COMPENSATION.** The Association shall be obligated to pay, and the Agent shall receive as compensation the sums provided in this Agreement and the attached Exhibit A, Management Fee Schedule and Exhibit B, Other Charges and Services. Agent is entitled to deduct its compensation on the first of each month from the funds available, regardless of any other payments then required to be made.
11. **REPORTING TO BOARD MEMBER.** The Board will designate a single individual who shall be authorized to work with Agent within 10 days of the selection of officers. Agent shall not accept direction or instruction with regard to the management of Association from any other than such designated representative. In the absence of any other designation by the Board, the President of the Association shall have such authority.
12. **PROFESSIONAL COMMUNICATION.** Agent and Association agree that all persons working for or on behalf of the Agent and the Board deserve to be treated with the utmost respect when conducting the business of the Association. As such Agent shall notify the Board Liaison if they experience being treated in a harmful way by a vendor or member of the Association. After three instances of such treatment, Agent shall terminate the contract with notice as outlined in this agreement. "Harmful Treatment" shall include but is not limited to: being called names of a derogatory nature; use of profanities; or experiencing any communication where the message is perceived as being personally or professionally threatening. Communication means by phone, in person, by email or in writing anywhere including social media or online are included.
13. **STRUCTURAL CHANGE.** Unless specifically directed by the Board, Agent shall have no authority to make any structural changes in the Association or any other major alterations or additions in or to any building or equipment therein, except for such emergency repairs as may be required (1) because of danger to life or property or which are immediately necessary for the preservation and safety of Association, the Association and its occupants or (2) may be required to avoid the suspension of any services necessary to the operation of the Association.

14. BUILDING COMPLIANCE. Agent shall have no responsibility to ensure compliance by the Association or any of its equipment, with the requirements of any ordinances, laws, rules or regulations (including those relating to state or federal government, or any public authority or official thereof having jurisdiction over the Association) except to notify and promptly forward to the Board any complaints, warnings or other notices of violation or deficiency. Association represents that to the best of its knowledge the Association complies with all such requirements. Association authorizes Agent to disclose the ownership of any Association unit to any such officials.

15. ESTABLISH AND MAINTAIN LIABILITY INSURANCE. The Association will carry at its own expense public liability insurance adequate to protect the interests of the parties hereto (minimum liability coverage of \$1,000,000), which policies will be so written as to protect the Agent in the same manner and to the same extent as they protect the Association and will name the Agent as an additional insured if the Agent is not included within the definition of "Insured" under the policies. The Association shall also carry a minimum of \$1,000,000 directors and officers insurance, naming Agent as an additional insured. Such policies shall include, without limitation, the following terms and coverages: (1) "Claim" should be defined to include written demand for monetary and non-monetary relief; (2) "Insured Persons" should be defined to include, in addition to persons associated with the Association, Agent's past, present, and future directors, officers, and employees; (3) policy should cover defense of third-party contract claims for failure to maintain or obtain insurance; (4) policy should cover non-employee discrimination; (5) policy should cover employment practices liability, including discrimination; (6) policy should cover punitive damages where insurable; (7) policy should provide Agent with defense limits in excess of the limits of liability; (8) policy should contain a consent to settle provision requiring insured's consent before insurer may settle a claim; and (9) policy should not contain exclusion for insured entity versus insured person. Association shall furnish to Agent, upon demand, certificates evidencing the existence of such insurance. Said policies shall provide that notice of default or cancellation shall be sent to Agent as well as to the Association and shall require legal minimum written notice to Agent, as required by Oregon State law, before any cancellation of or changes to said policies.

15.1. Association Business Manager Fidelity and Crime Policy. Agent retains a discovery for employee theft and crime policy, with limit of \$1,000,000 per occurrence or the highest limit of the Association's funds in the control of Agent, whichever is greater. Policy should include wire transfer, computer, and electronic fraud coverage. Proof of coverage will be provided upon request.

16. INDEMNIFICATION. Association shall indemnify, defend, and save the Agent harmless from claims, investigations and suits as detailed herein. Agent shall not be liable for any error in judgment, for any mistake of fact or law, or for anything which Agent may do or refrain from doing hereinafter, except in the case of Agent's gross negligence, willful misconduct, or gross neglect. Except as noted above, Association covenants and agrees to defend, hold harmless and if necessary, indemnify Agent from any and all liability, costs, expense, including attorneys fees, judgments, claims, liens, demands and litigation of any kind whatsoever, in connection with, arising out of or by reason of the management of the subject property or other services performed by Agent at the request of or directly or indirectly for the benefit of the Association.

16.1. Pay all expense of Litigation. Except in the case of Agent's gross negligence, willful misconduct, or gross neglect, Association shall advance and pay expenses incurred by the Agent, including attorneys fees for counsel employed to represent Agent or Association in any proceeding or suit involving an alleged violation by Agent or Association, or both, of any constitutional provision, statute, ordinance, law or regulation of any governmental body pertaining to environmental protection, fair housing, or fair employment so long as such suit or alleged violation arises out of the management of the subject property or other services performed by Agent at the request of or directly or indirectly for the benefit of the Association. Nothing herein contained shall require Agent to employ counsel to represent Association in any such proceeding or suit. As part of the consideration exchanged between the parties, the parties further agree that regarding liability, costs, expense, including attorneys fees, judgments, claims, liens, demands and litigation of any kind whatsoever, in connection with, arising out of, or by reason of the management of the subject property or other services performed by Agent at the request of or directly or indirectly for the benefit of the Association, except in the case of Agent's gross negligence, willful misconduct, or gross neglect the liability of Agent shall not exceed the sum of 6 months of management fees charged by Agent to the owner or client.

17. TERMINATION OR CANCELLATION OF AGREEMENT.

17.1. Cancellation of Agreement. This Agreement may be canceled by the Association or the Association Business Manager with a minimum of sixty (60) days written notice prior to the termination of the initial term or any renewal term. In the event cancellation is provided to terminate prior to an expiration of the initial term or any subsequent renewal term, a cancellation fee equal to 3 months management fee will be charged. For this purpose, the monthly management fee for the remainder of the then current term shall be presumed to be the same as that of the last month prior to service of the notice of such cancellation.

17.1.1. Right to Cancel. Agent shall have the right to cancel this Agreement at any time in the event that any insurance requested of the Association is not maintained without any lapse.

- 17.1.2. Expenses related to Termination. In addition to expenses incurred by Agent for copying, printing, supplies and other related expenses, a minimum transition fee of \$500 or \$10 per unit whichever is greater will be charged to complete the transition of Association records at termination or expiration of this Agreement.
- 17.2. Breach of Agreement. Thirty (30) days after receipt of written notice by either party from the other specifying in detail a material breach of this Agreement, if such breach has not been cured, is incurable within thirty (30) days and efforts have not been made to cure said breach, this contract may be terminated with an additional 30 day notice to the offending party and no cancellation fee will be due so long as proper notice was provided as outlined above.
- 17.3. HARMFUL TREATMENT. As outlined in Paragraph 12, professional communication, if behavior has occurred as outlined in this paragraph, termination of the Agreement may happen by Agent with 60 days notice. The Board has 30 days to identify a way to address the communication that is occurring that is agreeable to Agent. If a plan cannot be agreed upon, Agent may provide 60 days notice to the Association notifying of the termination of the contract with no penalties to either party.
- 18. ASSOCIATION RESPONSIBLE FOR PAYMENTS.** Upon termination of or withdrawal from this Agreement by either party, the Association shall assume the obligations of any contract or outstanding bill executed by Agent under this Agreement for and on behalf of the Association and responsibility for payment of all unpaid bills. In addition, the Association shall furnish Agent security, in an amount satisfactory to Agent, against any obligations or liabilities, which Agent may have properly incurred on the Association's behalf under this Agreement. Agent may withhold funds for sixty (60) days after the end of the month, in which this Agreement is terminated, in order to pay bills previously incurred but not yet invoiced and to close accounts. Agent shall deliver to the Association, within sixty (60) days after the end of the month in which this Agreement is terminated, any balance of monies due the Association which were held by Agent with respect to the Property, as well as a final accounting reflecting the balance of income and expenses with respect to the Property as of the date of termination or withdrawal, and all records, contracts, leases, receipts for deposits, and other papers or documents which pertain to the Property.
- 19. RELATIONSHIP OF AGENT TO THE ASSOCIATION.** The relationship of the parties to the Agreement shall be that of Principal and Agent, and all duties to be performed by Agent under this Agreement shall be for and on behalf of, in the name of and for the account of the Association. If the Property, the Association, or both are, at any time during the term of this Agreement, declarant-owned or declarant-controlled, Agent shall be acting on behalf of the Association, not the declarant or any other third party. In taking any action under this Agreement, Agent shall be acting only as Agent for the Association, and nothing in this Agreement shall be construed as creating a partnership, joint venture, or any other relationship between the parties to this Agreement except that of Principal and Agent, or as requiring Agent to bear any portion of losses arising out of or connected with the ownership or operation of the Property. Nor shall Agent at any time during the period of the Agreement be considered a direct employee of the Association. Neither party shall have the power to bind or obligate the other except as expressly set forth in this Agreement, except that Agent is authorized to act with such additional authority and power as may be necessary to carry out the spirit and intent of the Agreement.
- 20. CONFIDENTIALITY AND PROPRIETARY INFORMATION.** The Association will have access to and be dealing with confidential information pertaining to client list; procedures, processes and documentation relating to management of Agent's clients; the Management Agreement and fees for services; and programs, software, procedures and techniques relating to data processing and financial reports. Association agrees to hold such trade secrets and confidential information attained during the course of this Agreement in the strictest confidence and shall retain a total confidentiality, giving value to protecting them from Agent's competitors. This provision shall survive termination of this Agreement. All materials of a confidential nature, prepared and utilized in Agent's performance of their duties under this agreement, shall remain the exclusive property of Agent, and shall be retained in Agent's possession.
- 21. 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 insurance or to defend, to reimburse, or indemnify Agent shall survive any termination or expiration of this Agreement and if Agent is or becomes involved in any proceedings or litigation by reason of having been the Association's Agent, such provisions shall apply as if this Agreement were still in effect.
- 22. FORCE MAJEUR.** Any delays in the performance of any obligation of Agent under this Agreement shall be excused to the extent that such delays are caused by wars, national emergencies, natural disasters, strikes, labor disputes, utility failures, governmental regulations, riots, adverse weather, and other similar causes not within the control of Agent, and any time periods required for the performance shall be extended accordingly.
- 23. COMPLETE AGREEMENT.** This Agreement, including any specified attachments, constitutes the entire Agreement between the Association and Agent with respect to the management and operation of the Property and supersedes and replaces any and all

previous management agreements entered into and/or negotiated between the Association and Agent relating to the Property covered by this Agreement. No change to this Agreement shall be valid unless made by supplemental written agreement executed and approved by the Association and Agent. 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 Agent in writing. Each party to this Agreement hereby acknowledges and agrees that the other party has made no warranties, representations, covenants or agreements, express 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, express or implied, to such party, other than those expressly set forth herein.

- 24. CONTRACT ENFORCEMENT PROVISIONS.** Parties to this Management Agreement agree that all claims, controversies and disputes, whether they be statutory, contract or in tort, shall be resolved in accordance with the mediation, small claims, and arbitration provisions specified herein. The obligation of all parties to comply with these provisions shall survive the conclusion of this contract. **MEDIATION:** All claims shall be submitted to mediation in accordance with the rules and procedures of the National/State/local Mediation Association. **SMALL CLAIMS:** All claims that have not been resolved by mediation, and which are within the jurisdiction of the Small Claims Department of the District Court of the State of Oregon, shall be brought and determined there, and all parties waive their right to a jury trial with respect to such claims. **ARBITRATION:** All claims that have not been resolved through mediation (including a non-resolution due to the inability of the parties to agree on a mediator) and which are not within the jurisdiction of the Small Claims Department of the District Court of the State of Oregon, shall be resolved by arbitration in accordance with the then rules of the Arbitration Service of Portland or the American Arbitration Association, whichever organization is selected by the party who first initiates arbitration by filing a claim in accordance with the filing rules of the organization selected, and any judgment upon the award rendered pursuant to such arbitration, may be entered in any court having jurisdiction thereof.
- 25. 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 rights 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.
- 26. 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 Oregon. If any part of this Agreement shall be declared invalid or unenforceable, Agent shall have the option to terminate this Agreement by notice to the Association.
- 27. NOTICES.** Any notice required or permitted to be served hereunder may be personally served or sent by registered mail as follows:
- 27.1. Personal service upon Agent shall be made to The Management Group, Inc., 16520 SW Upper Boones Ferry Rd., Suite 250 Portland, Oregon 97224. Service by mail shall be made to The Management Group, Inc., 16520 SW Upper Boones Ferry Rd., Suite 250 Portland, Oregon 97224.
 - 27.2. Service may be made personally or by mail upon the Association at its principal place of business or upon the President of the Association at his or her residence address.
 - 27.3. Either party may change the address for notice by service of notice of such change given in the manner herein provided. Any notice served by mail shall be deemed to have been served when deposited within the mails.
- 28. HEADINGS.** All heading and subheadings employed within this Agreement are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement.
- 29. AGREEMENT BINDING UPON SUCCESSORS AND ASSIGNS.** This agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. In the event of a sale or assigns, Agent shall be released from all liability hereunder, upon the express assumption of such liability by Agent's assignee.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

Association Business Manager:

AMS | Association Management Services NW LLC

BY: _____

PRINT NAME: _____

TITLE: _____

BY: _____

PRINT NAME: Carmen Villarma

Authorized Member

Specified Attachments:

Exhibit A– Management Fee Schedule

Exhibit B –Other Charges and Services

Association:

Cinnamon Lakes Condominium Association of Unit Owners

BY: _____

PRINT NAME: _____

TITLE: _____

BY: _____

PRINT NAME: _____

ITS: _____