

ORIGINAL

HOMEOWNERS' ASSOCIATION Management AGREEMENT

PARTIES: **Avalon Village Homeowners' Association**
A homeowners association organized and formed
consistent with the laws of Oregon. [Association]
Address:
C/O Acting Board President

AND

METCO Investment Realty, Inc.
388 Q Street
Springfield, Oregon 97477
Phone: (541) 683-9001
Email: mbryson@metcorealty.com
Fax: (541) 683-3957 [Agent]

SECTION 1. APPOINTMENT OF MANAGING AGENT

1.1 Appointment and acceptance.

This agreement (the "Agreement") is made and entered into this 18th day of **March, 2021** by and between the unit owners' association known as **Avalon Village Homeowners Association**, which is established in accordance with the laws of the State of Oregon for the property commonly known as **Avalon Village** (the Association), located at **Avalon Village** (the "Property"), and **METCO Investment Realty, Inc** (the "Agent"). METCO agrees that the primary individuals assigned to work with the association shall be **Christina Perkins**, Association Manager and **Matt Bryson**, President.

1.1.1 Authority of the Agreement.

The Board of Directors of the Association (the "Board"), on behalf of the Association, hereby appoints Agent to manage the Property, and Agent accepts appointment to manage the Property. The parties further agree that Agent is employed as the sole and exclusive Agent of the Association to manage, maintain, control and operate the premises.

1.2 Description of Premises. The Premises consist of land, building(s), and other improvements described as: **The Avalon Village Home Owners Association. A 370 lot Planned Unit Development with Full legal description of the premises contained in the associations Declarations of Covenants and Restrictions recorded January 8th, 1998 and as amended with Lane County Oregon Deeds and Records.**

1.3 Term. The term of this agreement begins the 1st day of April, 2021 and end on the 30th day of April, 2022. Thereafter, the agreement shall be automatically renewed and extended until a date not less than FORTY-FIVE (45) days after either party delivers written notice of termination as provided in §18 to the other party.


management of the Property from the Association's funds held in account by Agent. Any amounts owed to Agent by the Association shall also be paid from such account at any time without prior notice to the Association.

3.4 Agent not Required to Advance Funds. Agent shall have no obligation to advance funds to the Association for any purpose whatsoever. Any funds advanced to the Association by Agent shall be repaid to Agent immediately from the Association's funds.

SECTION 4. ATTENDANCE AT BOARD MEETINGS

Agent, or a designated employee or other representative of Agent, shall attend up to Four (4) regular meeting(s) of the Board of Directors and One (1) annual meeting of the Association. At Board's request, Agent shall prepare for and attend additional board meetings at an additional cost to the Association at a rate of **\$50.00 Admin / \$85.00 Executive** per hour.

SECTION 5. ONE BOARD MEMBER TO DEAL WITH AGENT

The Board shall designate one of its members who shall be authorized to deal with Agent on any matter relating to the 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 any other designation by the Board, the President of the Board shall be deemed to have this authority. Board appoints Joan Lighty  as alternate should the President be unavailable. 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. MB

SECTION 6. LIMITATION OF AGENT'S AUTHORITY AND RESPONSIBILITY

Agent's authority to act and responsibility for the Property shall be subject to the limitations set forth below.

6.1 Structural Changes. Agent shall have no authority to make any structural changes in the Property or to make any other major alterations or additions in or to any building or equipment therein, except such emergency repairs as may be required because of danger to life or property or which are immediately necessary for the preservation and safety of the Property or for the safety of the individual owners and occupants or which are required to avoid the suspension of any necessary service to the Property.

6.2 Building Compliance. Agent shall not be responsible for the compliance of the Property or any of its equipment with the requirements of any building codes or with any statutes, ordinances, laws, rules, or regulations (including those relating to the existence and disposal of solid, liquid, and gaseous wastes, and toxic or hazardous substances) of any city, county, state, or federal governments or agencies, or any public authority or official thereof having jurisdiction over it. **HOWEVER**, Agent shall notify the Association promptly or forward

to the Association promptly any complaints, warnings, notices, or summonses received by Agent relating to such matters. The Association represents that to the best of its collective knowledge the Property complies with all such requirements, and the Association authorizes Agent to disclose the ownership of the Property to any such officials and agrees to indemnify, defend and hold Agent, its representatives, servants, and employees, harmless of and from all loss, cost, expense, and liability whatsoever which may be imposed on them by reason of any present or future violation or alleged violation of such laws, ordinances, rules, or regulations.

6.3 Agent Assumes No Liability. Agent assumes no liability whatsoever for any acts or omissions of the Board or the Association, or any previous boards or current or previous owners of the Property, or any previous management or other agent of either. Agent assumes no liability for any failure of or default by any individual unit owner in the payment of any assessment or other charges due the Association or in the performance of any obligations owed by any individual unit 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 previous unknown violations of environmental or other regulations, which may become known during the period this Agreement, is in effect. Any such regulatory violations or hazards discovered by Agent shall be brought to the attention of the Association in writing, and the Association shall promptly cure them.

SECTION 7. RELATIONSHIP OF AGENT TO ASSOCIATION

The relationship of the parties to this 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 Association, in Association's name, and for Association's account. In taking any action under this agreement, Agent shall be acting only as Agent for 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 Premises. Agent shall not at any time during the period of this 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 this agreement.

SECTION 8. AGENT'S COMPENSATION AND EXPENSE

As compensation for services provided by Agent under this Agreement (and exclusive of reimbursement of expenses to which Agent is entitled hereunder), Association shall pay Agent as follows for management services.

8.1 Base Fee. Association shall compensate Agent at the rate of **Four Dollars and Twenty Five Cents (\$4.25) Per Lot or One Thousand Five Hundred Seventy Two Fifty (\$1,572.50) Per Month** for the duration of this contract. Furthermore, Association shall pay to Agent upon execution of this agreement a one-time set up

set forth in this agreement.

9.2 Agent Assumes No Liability For Liability Insurance. The Agent shall have no responsibility for securing insurances for the property. If Association fails to provide a certificate of insurance as required, Agent shall have the authority to secure such public liability insurance and pay the premiums from Association's account balance. However, Agent is not obligated to secure such insurance, and any action by Agent to advise or assist Association in selecting or obtaining insurance coverage shall not constitute a waiver of Agent's disclaimer of responsibility under the paragraph.

9.3 Liability Insurance. Association shall obtain and maintain public liability insurance with contractual liability endorsement with not less than ONE MILLION dollars (\$1,000,000.00) combined single limit. Association shall promptly provide Agent with a certificate of such insurance, and at the request of Agent, all such insurance policies shall designate Agent as an additional insured.

9.4 Litigation Expenses. Association shall pay reasonable expenses incurred by Agent in obtaining legal advice regarding compliance with any law affecting the Premises or activities related to them. If such expenditure also benefits others for whom Agent in this agreement acts in a similar capacity, Association agrees to pay an apportioned amount of such expense.

9.5 Save Agent Harmless From Labor Law Violations. The Association shall indemnify, defend, and save Agent from all claims, investigations, and suits, or from the Association's or the board's actions or failures to act, with respect to any alleged or actual violation of state or federal labor laws. the Association's obligation with respect to such violation(s) shall include payment of all settlements, judgments, damages, liquidated damages, penalties, forfeitures, back pay awards, court costs, litigation expense, and attorneys' fees.

9.6 Approve Annual Budgets. Within thirty (30) days of receipt of the recommended Annual Budget prepared by Agent, the board shall either approve the budget as submitted or provide Agent with written notice setting forth those items which are unacceptable to the board or provide Agent with written notice advising Agent what additional information is required. Failure to provide such notice to Agent within said thirty (30) day period shall be deemed as approval of the Annual Budget by the Board. Upon approval, Agent shall be authorized to operate and manage the Property in accordance with the Annual budget.

SECTION 10. REPRESENTATIONS

Association represents that there are no written agreements effecting the property other than tenant leases, which Association has provided to Agent, except: (mark all that apply)

- ✓ Covenants, Conditions and Restrictions (CC&R's)
- ✓ Homeowner's association agreement

obtained by Association per §9.2 is not reasonably satisfactory to protect its interest under this agreement, and if Association and Agent cannot agree as to adequate insurance, Agent shall have the right to cancel this agreement upon the service of notice to Association.

11.3 Association Responsible for Payments. Upon termination of or withdrawal of this agreement, Association shall assume the obligations of any contract or outstanding bill executed by Agent under this agreement for and on behalf of Association and responsibility for payment of all unpaid bills. In addition, Association shall furnish Agent security, in an amount satisfactory to Agent, against any obligations or liabilities, which Agent may have properly incurred on Association's behalf under this agreement. Agent may withhold funds for NINETY (90) 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 Association, within NINETY (90) days after the end of the month in which this agreement is terminated, any balance of monies due Association or of tenant security deposits, or both, which were held by Agent with respect to the Premises, as well as a final accounting reflecting the balance of income and expenses with respect to the Premises 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 Premises.

SECTION 12. 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 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 Association's Agent, such provisions shall apply as if this agreement were still in effect.

SECTION 13. HEADINGS

All headings and subheadings employed within this agreement and in the accompanying List of Provisions are inserted only for convenience and ease of reference and are to be considered in the construction or interpretation of any provision of this agreement.

SECTION 14. FORCE MAJEURE

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 performance shall be extended accordingly.

SECTION 15. COMPLETE AGREEMENT

This agreement, including any specified attachments, constitutes the entire agreement between Association and Agent with respect to the management and operation of the Premises and supersedes and replaces any and all previous management agreements entered into and/or

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.

SECTION 19. MISCELLANEOUS

Should any stipulation or covenant of this agreement be or become invalid or voided by the courts or a change of law, such stipulation or covenant shall be deemed omitted and the remainder of the agreement shall remain in full force and effect.

In any civil action arising out of or brought in connection with this agreement, the prevailing party shall be entitled to recover, in addition to costs, such reasonable attorney's fees as may be awarded by any trial or appellate court.

This agreement shall be binding upon the parties hereto and their respective personal representatives, heirs, administrators, executors, successors and assigns.

SECTION 20. ADDITIONAL AGREEMENTS BETWEEN AGENT AND ASSOCIATION *(IF BLANK, THAT WAS THE INTENT)*

1) Annual reserve study update excluded from base fee if required. If Association directs Agent to perform annual reserve study update, Association shall compensate Agent at a rate of \$50.00 Admin / \$85.00 Executive per hour to coordinate reserve study update with an estimated annual management services cost of \$350 - \$400 at the time of this drafting.

2) Administrative time for restoration of common area's and reserves in severe neglect and/or subject to city conservation compliance requirements, outside the scope of normal vendor supervision, excluded from base fee. If association directs Agent in excess of normal day to day supervision to oversee restorations of said areas, Association shall compensate Agent at a rate of \$50.00 Admin / \$85.00 Executive per hour.

3) Where stated throughout this agreement, the rate of "\$50.00 Admin / \$85.00 Executive per hour" is intended to mean the Association will either be billed a rate of \$50.00 per personnel hour when Metco administrative staff can be utilized or \$85.00 per personnel hour when Metco Upper management or Executive staff are required to consult on or complete a given task. Some projects may require a combination of both Administrative and Executive staff hours to complete. Agent shall apprise Association in advance of when said fee's may apply.

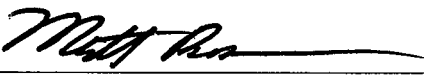
4) Annual tax filings are excluded from this agreement and are required to be performed by a licensed CPA. At the time of this drafting, Agent estimates annual Tax filings to range from \$400 - \$500 utalizing agents recommended firm.

SECTION 21. DISCLAIMER

No representation or recommendation is made by Agent or its employees as to the legal sufficiency, legal effect, or other consequences of this Agreement. The parties shall rely solely upon the advice of their own legal counsel as to the legal and consequences of this agreement. By affixing signatures below, both Association and Agent agree to the terms, conditions, and provisions specified by this agreement.


AGENT:

**METCO INVESTMENT
REALTY, INC.**

BY: 
TITLE: President
DATE: 3/18/21

ASSOCIATION:

**AVALON VILLAGE
HOMEOWNERS ASSOCIATION**

BY: 
TITLE: President
DATE: 3/18/21

METCO

INVESTMENT REALTY, INC

Property Management – Sales – Leasing

Exchange – Consulting – Development

Association Full Service Management Proposal Summary

Prepared For The Avalon Village Homeowner's Association – February 10, 2020

- Utilize up to date professional property management software to account for all aspects of the Association's income, expenses and maintenance history.
- Collect funds from dues, maintenance reserves and special assessments. Multiple Home Owner payment options including online bill pay, e-check and credit card offered!
- Pay all expenses of the association, including insurance, utilities, maintenance contracts, etc.
- Provide accurate monthly reporting and accounting of all income and expenses.
- Provide quarterly billings to unit owners for dues owed, special assessments and maintenance reserves. Monitor past due accounts, send past due notifications, implement late fees and facilitate further legal collections measures as required.
- Prepare and monitor the association annual operating budget in conjunction with Board and reserve study directive.
- Attend regular quarterly and the annual Board meeting.
- Prepare and file required annual governmental reporting. Respond to lender inquiries, foreclosure and legal notifications. Prepare and deliver required end of year tax prep documents to the association's tax filing preparer.
- Provide common area maintenance and improvement recommendations based on frequent onsite visits and a detailed annual review. Quick, efficient response to association maintenance requests with an in house 24/7 contact message line in case of emergency.
- Maintain contracts and relationships with existing vendors providing ongoing and as needed services. Negotiate new contracts with vendors to provide necessary services as required.
- Schedule and oversee the activities of all regular contract vendors and Metco on-staff maintenance personnel.
- Receive and promptly respond to complaints regarding violations of the HOA By-Laws and Use Restrictions (CCR's). Notice Homeowners of violations, follow up on required corrections and implement Associations fine structure pursuant with the governing documents when necessary.
- Assist and advise Board in regard to By-Law and CC&R's interpretations, government regulations, and ORS 100 compliance through constant communication, experience, and qualified legal consult when necessary.

**Fee Structure: +/- \$4.25 per lot - \$18,870 Annually plus
\$85.00 Per Month Administrative Supply/Overhead Fee
One time Association set up fee of \$500.00**

One year initial term continuing on a month to month basis thereafter

Note: All Services and Fee's specified Subject to Final Management Agreement

Commercial, Industrial, Multi-Family & Residential

388 Q Street – Springfield, Oregon 97477 – Phone: (541)-683-9001 Facsimile: (541)-683-9001

www.metcorealty.com – Email metco@metcorealty.com

DRAFT

AVALON VILLAGE HOA BOARD MEETING

March 8, 2021

A regular meeting of the Board of Directors took place by Zoom. A quorum being present, the meeting was called to order at 6:01 p.m. The agenda was changed to include Financial Reports.

- 1) The Consent Agenda was unanimously approved.
- 2) The Financial Reports of February 2020 and January 2021 was presented. The HOA as of January 31, 2021 had \$68,000.00 in cash. The reports were filed for audit.
- 3) Discussion was held on bids from property management companies consisting of Fieldstone Management, The Management Trust and Metco. A unanimous vote was taken in favor of Metco to be the property management company of Avalon Village HOA.
- 4) Discussion was held on bids received regarding the selection of a company to do the backflow for Avalon Village HOA. It was tabled for a later date.
- 5) Setting a date for the annual meeting was discussed and tabled.
- 6) There being no further business, meeting was adjourned at 7:01 p.m.