



Management Agreement

Management Agreement

This Agreement is made and entered into by and between:

Chestnut Trails Homeowners Association

A Washington Non-Profit Corporation
(The "Association")

and

Navigate Community Management, LLC
A Washington Limited Liability Company
("Management Company")

The Management Agreement consists of this Management Agreement, Terms & Conditions and Schedule A, available online, and are collectively referred to herein as the "Agreement." In consideration of the terms, conditions and covenants of this Agreement, the parties mutually agree as follows:



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SUMMARY OF MANAGEMENT SERVICES

Management Plan Selected	☐ Financial Services ☐ Remote Plan ☒ Core Plan ☐ Navigate 360 Plan
Start Date	January 1 st , 2026
Onboarding/Transition Fee	\$920 to be paid by October 31st 2025
Monthly Management Fee	\$920
Other	No increase until January 1st, 2028
Additional Fees	See Scheduled of additional charges https://www.navigatecommunitymanagement.com/schedulea
Contract Length	2 years term, then renew with one year terms.
Termination notice by Association	60 days prior renewal date. First renewal date: 1/1/2028
Inspection of common areas	☐ Not included ☐ Quarterly ☐ 2x per year ☒ Annually ☐ Monthly. ☐ Other: _____
Monthly Violation inspections	☒ Not Included ☐ Included (Compliance View 360)
Board Meetings	☐ Not included ☐ During business hours. # of meetings per year: ____ ☒ Outside of business hours: # of meetings per year: <u>6</u>
Annual Meeting	☐ Not included ☐ During business hours. ☒ Outside of business hours.

ARTICLE 1
APPOINTMENT OF MANAGEMENT COMPANY

The Association hereby appoints Management Company as its managing agent, and Management Company hereby accepts such appointment, to manage the affairs of the Association and provide the services and perform the obligations of this Agreement in accordance with its terms and conditions, and the Association's Declarations of Covenants, Bylaws, Articles of Incorporation, Rules and Regulations, and Board Resolutions, as any of them may be amended from time to time (collectively, 'the Governing Documents').

Management Company is an independent contractor and not an employee of the Association. While Management Company shall use its best effort to devote all of the necessary time to properly conduct the business of the Association, the Association understands that Agent is engaged in similar management duties under contract with other Associations; and therefore, it is not intended that the Agent or its designated representatives devote full-time to the management or operation of the Association.

The relationship of Association and Management Company is as Principal and Agent, respectively, and all duties to be performed by Management Company under this Agreement shall be for and on behalf of, in the name of and for the account of Association. In taking any action under this Agreement, Management



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Company shall be acting only as Agent for the Association, and nothing in this Agreement shall be construed as creating a partnership, or any other relationship between the parties to this Agreement except that of Principal and Agent. Neither party shall have the power to bind or obligate the other except as expressly set forth in this Agreement, except that Management Company is authorized to act with such additional authority and power as may be necessary in the event of an emergency (such as a fire or flood) to carry out the spirit and intent of this Agreement.

ARTICLE 2 RESPONSIBILITIES OF MANAGING MANAGEMENT COMPANY

The Association, through the authority vested in its Board and subject to the Association's Governing Documents controls the common areas and limited common areas of the Association and is responsible for the administration of the Association as established in the Association's Governing Documents.

The role of the Management Company is to use its best professional efforts to assist and advise the Board in matters of operation and governance of the Association, including implementing the decisions and the policies established by the Board. Management Company will provide the Association with efficient business and financial administration, supervision and/or oversight as required within this Agreement, and advisory services consistent with the best interests of the Association and standard industry association and portfolio management practice, and Management Company shall administer the Association's affairs in accordance with the provisions adopted by the Board and this Agreement, and consistent with the Governing Documents.

ARTICLE 3 FINANCIAL SERVICES

1. *Banking*

Management Company will establish and maintain, in the name of, on the behalf of, and at the expense of the Association, at least one (1) checking account with a bank or other financial institution whose deposits are federally insured which shall be designated the Association's Operating Account. The Operating Account or accounts shall be under the Association's federal tax identification number. Operating funds of the Association shall not be commingled with funds of any other party or Management Company.

Management Company will establish and maintain, in the name of, on the behalf of, and at the expense of the Association, one savings account, for reserve or replacement funds with a bank or other financial institution whose deposits are federally insured, designated the Association's Reserve Account. The Reserve Account shall be in the Association's name and under the Association's federal tax identification



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number. The Reserve Account shall be an interest-bearing account and all interest earned thereon shall be considered part of the reserve funds for the purpose designated on the account. Reserve funds shall not be commingled with funds of any other party.

All bank fees and charges, if any, shall be an expense of the Association. Additional charges shall apply for Management Company's services in establishing and maintaining any additional bank accounts as set forth on Schedule A.

As a benefit to its clients, Management Company may engage in agreements with third-parties to help subsidize, reduce or eliminate costs normally incurred by the Association. Management Company has various affiliations and business arrangements, including certain financial institutions ("Partner Institutions") with which Management Company has established partnerships intended to secure the provision of reliable and cost efficient banking services for Agent's client associations. Under depository services agreements with the Partner Institutions, in consideration for the maintenance of deposits by Management Company's clients, the Partner Institution agrees to provide depository and commercial banking services to Management Company's clients without charge and also provides the Management Company with cost renumeration for any additional account maintenance costs incurred by Management Company (i.e. deposit processing, transaction reconciliations, exception processing, software integrations, etc.).

The Association acknowledges the disclosure of the relationships, affiliations, and activities described above and agrees that such relationships, affiliations, and activities do not constitute a violation of this Agreement or a conflict of interest.

2. Receivables.

Management Company shall collect all regularly scheduled assessments, and other charges, as they become due and payable from all Association members. Management Company shall also collect all other monies which are due to the Association from other sources.

Management Company shall not be responsible for bank errors, holds, or delays. Management Company shall be authorized to charge and collect an NSF fee, in addition to any bank charge incurred by the Association, for returned payments as set forth in Schedule A. Such charges shall be paid to Navigate Community Management according to Schedule A by the Association monthly. Association shall be responsible to attempt to collect the Delinquent Assessments and administrative fees and charges.

3. Delinquency Notices.

The Association authorizes and directs Management Company, on behalf of Association, to request, demand, collect, receive, and prepare receipts for any and all charges, which may at any time be or become due to the Association, and to take such action in the name of the Association by way of legal process or otherwise, as may be permitted by the Governing Documents and required for the collection



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of delinquent assessments. However, the initiation of legal action against a member of the Association to collect such assessments, or to enforce a lien, shall not be commenced except pursuant to a resolution of the Board. Should legal action become necessary, Management Company shall utilize attorneys designated by the Board in the pursuit of delinquent amounts due to the Association, pursuant to procedures approved by the Board, and is authorized to pay from the Association's funds for all costs, attorneys' fees, and trustee's fees incurred or to be incurred in the collection of the Association's receivables. Management company shall be authorized to charge on the Homeowner's ledger administrative charges to process delinquency notices and collection administration. Such charges shall be paid to Navigate Community Management according to Schedule A by the Association monthly. Association shall be responsible to attempt to collect the Delinquent Assessments and administrative fees and charges.

4. *Disbursements and Accounts Payable.*

Subject to the restrictions on transfers from reserve accounts, Management Company will use its best effort to regularly pay, from the Association's accounts, all due and payable debts and obligations of the Association. Payments to contractors, vendors, service providers, utility companies, etc. may be issued by written check, eCheck, wires and/or credit cards.

With the exception of payments required under secured and unsecured loans of the Association, taxes, insurance, utilities and Association's approved contractual obligations, no disbursement shall be made or liability incurred in excess of two thousand five hundred dollars (\$2,500) unless included in the Annual Operating Budget, or unless specifically authorized by the Board.

HOWEVER, no such consent shall be required to repay any advances made by Management Company on behalf of the Association. Notwithstanding these limitations, Management Company may, on behalf of the Association, expend any amount or incur any contractual obligation in any amount to effect emergency repairs which may involve a danger to life or imminent damage to property, or which are immediately necessary for the preservation and safety of the members and occupants, or required to avoid the suspension of any necessary service.

Management company has no responsibility to pay any obligations of the Association for which there are not adequate funds on deposit in the bank account(s) that Management Company maintains pursuant to this Agreement. In the event that the funds on deposit are not sufficient to pay outstanding obligations of the Association, Management Company will communicate that fact to the Board, and the Board shall take the necessary and appropriate steps to cause the Association to provide sufficient funds to meet said obligations.



5. **Monthly Financial Statements.**

Management company shall furnish to the Board a monthly financial report. The financial report shall include a balance sheet, an income and expense statement, a check register, a delinquency report, a prepayment report, bank reconciliation report with bank statement(s), and copies of all invoices paid. The monthly financial report shall be delivered no later than 20 days following month end.

In order to ensure prompt resolution of disputes over any charge or disbursements, the parties agree that any claim or complaint is waived (and the charge or disbursement is deemed approved with the same authority as if approved by the Board, and Management Company can rely on such approval) unless Association gives Management Company written notice of such claim or complaint within 30 days of the earliest receipt of any financial report or other document that includes such charge or disbursement.

6. **Tax Compliance**

Management Company shall, on behalf of the Association, arrange for the annual tax return to be completed, as required or requested, and shall assist in providing information necessary to file any required federal, state, and local tax forms including tax return(s), and shall disburse funds for the payment of any tax owing. Fees associated with such tax compliance shall be the sole obligation and expense of the Association.

7. **Audit**

The coordination of an Annual Audit may be subject to additional fee based on the management plan selected. There is a flat fee of \$500 for any Association under the Remote Plan and Core Plan to coordinate the audit.

Management Company shall, on behalf of the Association, arrange for an annual audit to be completed, as required, or requested, and shall assist in providing information necessary that it has in its possession to prepare an annual audit. Management Company shall not be obligated to search for records of previous management company if such records are missing. Fees and costs associated with such Annual Audit shall be the sole obligation and expense of the Association. If extended support is needed to perform the annual audit, additional fee may apply subject to Schedule A.

8. **Payroll Services.**

If the Association has any employees or if the Association desires to hire employees, Management Company will retain a third-party payroll company or service, in the Association's name and at the Association's expense, to prepare, execute, and file all forms, reports, and returns required by law in connection with unemployment insurance, disability benefits, social security and other similar taxes now in effect or hereafter imposed, if any; and meet all other tax filing requirements relating to the employment of Association personnel.



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9. Investments

Management Company is not a financial advisor. Management Company shall not be responsible for assisting and/or advising the Board in matters relating to investment of Association funds.

10. Budget

Management Company shall assist Association in preparation of a draft annual budget for the Board's consideration at least 60 days prior to the Association's year-end. The budget shall be based on prior operating expenditures, estimated future expenses, and required or needed reserves as determined by the Board in consultation with Management Company and with other professionals. The budget shall be submitted to the Board for its consideration and adoption, and the budget and corresponding assessments shall be submitted to members for ratification as required by the Governing Documents and laws applicable to the Association including RCW 64.90.525.

Management Company shall not be responsible for variances between the budget and actual assessment and other income or expenses, as the budget is an estimate to be used only as a guide and management tool. It is understood by Management Company and the Association that the Association has final approval and is responsible for any omissions or revisions to its budget.

Budget ratification meeting shall be scheduled during business hours. Management Company's attendance at any meeting of the Association not included in the Management Agreement shall be subject to a meeting fee as listed in schedule A.

ARTICLE 4 ADMINISTRATIVE SERVICES

1. *Online Portal.*

Management Company shall provide an online portal for community members, including payment options, maintenance request and document sharing features.

2. *Serve as Registered Agent & Association's Annual Report.*

Management Company shall serve as registered agent for the Association. Management Company shall prepare and submit the Association's annual report as required to maintain Association's nonprofit corporate status. The cost of the Annual report is an expense of the Association.

3. *Record Keeping.*

Management Company shall keep and maintain all records of the Association and the Board, including, but not limited to, the Declaration, Articles of Incorporation, By-Laws, rules and regulations, policies, Page | 7

Initials RL / NM



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minutes of meetings, copies of contracts, financial records, etc. (which initial documents are to be provided to Navigate Community Management by the Association).

All such records shall belong to the Association and be available for Association inspection, or owner inspection as required by law, at reasonable times during regular business hours upon scheduling an appointment for review.

All records that Management Company maintains on behalf of the Association shall belong to the Association, and the expense of all creation, copying, scanning, printing, storing and maintaining Association records shall be at the Association's expense, pursuant to Schedule A.

Emails between the Management Company, its employees and Board Members, Contractors, Homeowners or any other parties are not records of the Association and shall not be considered records of the Association available for inspection by owners and will not be provided unless required by court order.

4. Correspondence.

Management Company will review and respond appropriately to correspondence from the Board members, homeowners and residents, and third parties.

5. Annual, Board, Special Meetings.

Management Company will be available to meet virtually or conference call with the Association's Board Monday through Thursday, excluding federal holidays. Meeting attendance is limited to a maximum of 90 minutes per meeting. Business hours for meetings are defined as any meeting held Monday through Thursday, starting no later than 4pm and shall conclude by 5:30pm.

If the Association's meetings are not regularly scheduled, attendance to an Association meeting shall be requested at least 14 business days in advance of the date of the meeting, subject to the availability of Management Company. Management Company will use best efforts to attend emergency meetings scheduled on less than 14 business days' notice.

Meeting exceeding 90 minutes may be subject to an hourly charge in 30 minutes increment as set forth in Schedule A. Management Company's attendance at any meeting of the Association not included in the Management Agreement shall be subject to a meeting fee as listed in schedule A.

The number of meetings included in the Management Agreement is listed in the Summary of Management Services. Meetings outside of business hours, if not included, are subject to a meeting fee as listed in schedule A.



6. Governing Documents Administration Assistance.

Management Company shall assist, to the best of its ability, in the administration and enforcement of the provisions of the Governing Documents and contracts.

7. Owner Assistance.

Management Company shall assist in resolving individual owner and resident requests and responding to inquiries as they pertain to the administration of the Association, the Common Areas, and Governing Documents including the Association's "Rules and Regulations." This may include, but is not limited to, preparing notices of hearings for alleged violations of the Governing Documents, enforcement actions, and proposed imposition of fines or fees according to the Governing Documents and the Association's adopted fine/fee schedule.

Management Company has no obligation to assist residents with personal requests for the maintenance and/or repairs of their home or lot, or other administrative tasks; and shall have no obligation to help in finding qualified contractors and/or assist in dispute resolution between neighbors.

8. Owner Sales and Transfers.

Management Company shall prepare and process transfer, resale certificate, resale demand, escrow/title demand, lender questionnaires and/or other information necessary for the sale or refinance of lots in the Association as may be requested from homeowners, sellers, buyers, lenders, realtors, title/escrow companies or others. Management Company is authorized to charge directly to requestor of such document(s) reasonable processing fees and charges for such certificates and/or documents. A Transfer Fee shall be billed directly to the seller and/or buyer of a unit at the time of transfer. The transfer fee covers miscellaneous administrative and accounting tasks performed by Management Company contemporaneously with the sale or transfer of a home. Additional fees (assessed to homeowners) apply as set forth in Schedule A.

9. Policy and Procedure Guidance.

Management Company shall guide and assist the Board in the development of rules, policies and procedures, including making referrals to qualified professionals. Management Company shall have no obligation to draft the policies or procedures. Management Company is available to draft policies and procedures on an hourly basis set forth in Schedule A.

Article 5 Physical Management & Maintenance
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1. Coordinate Maintenance of the Property.



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As authorized by the Board and/or pursuant to the Annual Budget of the Association, Management Company shall assist in procurement of vendors to perform any services and work necessary to maintain the property in accordance with the provisions of the Governing Documents and consistent with the operating budget. Management company shall have no obligation to meet with Vendors or Contractors onsite to obtain a quote.

2. ***Contracts.***

As authorized by the Board and/or pursuant to the Annual Budget of the Association, Management Company shall negotiate and execute, on behalf of the Association, contracts for routine and or regular maintenance services and such other services for the Association as may be necessary and advisable. Consistent with the Association's budget, Management Company may also purchase on behalf of the Association such equipment, tools, appliances, materials, signs and supplies for the proper maintenance of the Community. All such purchases and contracts shall be in the name of and at the expenses of the Association.

Management Company will work collaboratively with the Board to develop project specifications and assist with contract bid processes. Additional fees may apply for project, reserve expenditures and/or insurance claim as set forth in this Agreement.

3. ***Implement Board Decisions.***

Management Company shall administer the Association's affairs consistent with Board direction and with this Agreement. Management Company shall not be responsible for determining if the community is in compliance with any and all local, state and federal laws, regulations and codes, but shall notify the Board if there is a concern about such compliance.

4. ***Reserve Study.***

Management Company shall coordinate an annual reserve study at the expense of the Association for the preparation of the Association's annual reserves report or update, to be prepared in accordance with the Association's Governing Documents and/or applicable reserve study laws.

5. **Emergency Expenditures**

Notwithstanding anything to the contrary contained in this Article and the limitations herein imposed, Management Company may, but shall have no obligation, on behalf of the Association without prior consent of the Board, incur expenses or expend funds deemed necessary to deal with emergency conditions which may involve a danger to life or property, or which will threaten the suspension of any necessary service to the Association. Management Company's response to urgent matters occurring outside of regular business hours, defined as Monday through Friday from 9 a.m. to 5 p.m., may be subject to additional charge by Management Company at hourly rates which shall be set forth on Schedule A.



ARTICLE 6

Compliance & Enforcement of Governing Documents

1. ***Violation Enforcement.***

Management Company will assist the Board of Directors in the enforcement Governing Documents on complaint-based system, including sending notices to homeowners, coordinating hearings and correspondence. Navigate will review, with the assistance of the Board if necessary, credible complaints received from residents. Management Company shall be under no obligation to perform an inspection for complaints submitted by the Board or Homeowners.

2. ***Architectural Review Committee Assistance.***

Management Company will coordinate and assist in the administration of the Association's Architectural Review Committee (ARC) or as it is otherwise known, including coordination of applications, and corresponding with the ARC to assist in discharging the Committee's duties and fulfilling its responsibilities. The ARC shall be responsible to process applications and with the correspondence with owners regarding ARC compliance or completion of applications.

3. **Visual inspection of community**

If included in Summary of Management Services, Management Company shall perform a visual inspection to review homes from the street for potential violations and shall issue letters to homeowners. The cost of printing and mailing letters is an expense of the Association as set forth in Schedule A. Management company shall have the right to charge an administrative fee with the second and subsequent violation letters to cover the extra time of imposing warnings and/or fines, and communication. Such charges shall be paid to Navigate Community Management according to Schedule A by the Association monthly. Association shall be responsible to attempt to collect the Delinquent Assessments and administrative fees and charges.

4. **Security Disclaimer.**

Management Company shall not in any way be considered an insurer or guarantor of security within the property. Management Company shall not be held liable for any loss or damage by reason of failure to provide adequate security or for ineffectiveness of security measures undertaken. The Board, on behalf of the Association, owners and occupants, tenants, guests and invitees, as applicable, acknowledges that Management Company does not represent or warrant that any fire protection, burglar alarm systems, access control systems, perimeter walls or fencing, patrol, smoke, burglary, theft, hold-up, surveillance equipment, monitoring devices or other security systems/personnel will provide the detection or protection for which it is designed or intended.



ARTICLE 7 INSURANCE

1. Insurance Administration.

The Association's Board acknowledges that it has an obligation to timely acquire and maintain all forms of insurance for the Association as required by the Governing Documents and as dictated by prudent business practices. Management Company shall assist the Board and its qualified insurance broker in acquiring and maintaining all forms of insurance required by the Governing Documents and as may be necessary in the discretion of the Board.

Management Company shall diligently cooperate in investigating, reporting and processing all accidents or claims for damage relating to the Association's ownership, operation and maintenance of real or personal property within the Community and shall prepare claims when required and follow up on payment. Should Management Company perform the tasks related to a loss, an insurance claim or of a general contractor, including, but not limited to, support of property losses, insurance claim management, pre-claim inspection, initial determination of a potential claim, claims processing, onsite meetings & inspections, mitigation coordination, acting as the supervisor for construction or reconstruction activities for the Association, or should Management Company act as administrator, investigator, supervisor, processor, or follow-up for insurance losses beyond routine office administrative and accounting duties, Management Company shall be compensated at additional hourly rates or fees at set forth in Schedule A. In the event Management Company's service hours are not reimbursed through an insurance claim, the Association agrees to compensate Management Company.

2. Additional insured.

Management Company shall be named an additional insured on the Association's insurance policies, including, but not limited to, property policy, general liability policy, Crime/Fidelity policy, cyber policy, umbrella policy, and Directors and Officers liability policy, which policies shall be maintained in full force and effect during the entire term of this Agreement and in such amounts as the Association shall direct. The Association's general liability insurance coverage and umbrella or excess liability coverage (if maintained) shall be the primary insurance with respect to Management Company and its officers, directors, and employees. Any insurance or self-insurance maintained by Management Company shall be in excess of, and not contributing with, the Association's insurance.

3. Insurance Requirements

The Association agrees to carry at all times during the continuance of this Agreement, all such forms of insurance which may be required by the Association's Governing Documents; provided, however, that



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during the term of this Agreement, the Association will, at its sole cost and expense, maintain in full force and effect comprehensive general liability coverage with limits of no less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Any deductible required under such insurance policies shall be the sole responsibility of the Association, or such owner(s) who may be responsible under the Governing Documents.

Any deductible required under such insurance policies shall be at the Association's expense, though it may be billed back to an owner or owners as set forth in the Governing Documents. A certificate of Insurance shall be provided annually to Navigate Community Association.

4. Insurance Claims

Should the Board requires Management Company to file an insurance claim (any type of insurance claim), and should Management Company be required to perform tasks such as of a general contractor, acting as supervisor for construction or reconstruction activities for the Association; or should the Management Company act as administrator, investigator, supervisor, processor or follow-up for insurance losses, Agent shall be compensated at additional hourly rates or fees set forth in Schedule A. In the event Agent's services are not reimbursed through an insurance claim, the Association agrees to compensate Agent.

5. Indemnification

The Association, at its sole cost, agrees to indemnify, defend, and hold harmless Management Company and its affiliates, and their respective shareholders, members, directors, managers, officers, employees, agents, attorneys, representatives and assigns (individually and collectively, the "**Management Company Indemnitees**") from and against any and all losses, damages, judgments, rulings or settlements, and all reasonable costs, expenses and attorneys' fees (collectively, "**Damages**"), incurred by any Management Company Indemnatee related to or arising out of any and all claims or legal, administrative, or regulatory actions and proceedings, subpoenas, depositions, and HUD complaints asserted or brought against such Management Company Indemnatee in connection with (a) the performance of the obligations or responsibilities of Agent under the terms of this Agreement, (b) any action taken by any Management Company Indemnatee pursuant to the express or implied direction of the Association, or any act or omission taken by any Management Company Indemnatee reasonably and in good faith for a purpose that was reasonably believed to be in the best interests of the Association, and (c) the operation, maintenance, physical condition, or ownership of the Property, or any alleged acts, omissions, or incidents occurring during or related to the management by Management Company under this Agreement; provided, however, that the foregoing indemnification shall not extend to (i) any settlement entered into by any Management Company Indemnatee without the prior written consent of the Association, which consent shall not be unreasonably withheld, (ii) with respect to any Management Company Indemnatee, any Damages that are caused by such Management Company Indemnatee's criminal acts, willful misconduct, or gross negligence, or (iii) from any material breach of this Agreement by Management Company. The Association's obligation to defend, indemnify, and hold harmless any Management Company Indemnatee is subject to the condition that as to any particular event: (x) the Management Company Indemnatee shall notify the Association in writing as soon as practicable after



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notice of any such claim is received, and (y) no Management Company Indemnatee shall take any steps which could prejudice the defense thereof or otherwise prevent the Association from fully conducting such defense. In the event a claim is made or an action or proceeding is brought against a Management Company Indemnatee but not the Association, or legal ethical requirements would require separate counsel for an Management Company Indemnatee to adequately protect its interests, the choice of such counsel shall be made by Agent, subject to the prior approval of the Association, which approval shall not be unreasonably withheld. The Association shall promptly pay the costs of such counsel. The provisions of this Section shall survive the termination of this Agreement.

ARTICLE 8
RESPONSIBILITIES OF ASSOCIATION AND BOARD MEMBERS

1. Primary Representative

The authorities, duties and responsibilities of Management Company in connection with the management of Association shall be conducted with Board approval via motion and/or resolution adopted at a Board meeting, by electronic communication, or as directed through a designated Board member.

The Managing Management Company shall not accept directions or instructions about the Association from anyone else, unless deemed an emergency. In the absence of any other designation by the Board, the President of the Board shall have exclusive authority to direct or instruct the Management Company.

2. Duty to Cooperate

The Board of Directors shall act at all-times in the best interest of the Association and shall uphold its fiduciary duty and duty of care at all-times. Board members shall attend Board meetings scheduled with Management Company and shall notify Management Company prior to the meeting if a quorum of the Board will not be met. A charge of \$250 will be assessed to the Association in the event that any Board meeting can't be conducted due to a lack of quorum. Board Members must respond to Management Company's email or request through Board portal in a timely manner.

3. Personal Behavior

Each Board Member shall be respectful of Management Company's employees and shall not personally attack, verbally or in writing, officers or employees of Management Company, including social media posts.

4. Elect a Board of Directors.

The Association is required each year to hold an Annual Meeting to elect Board members as set forth in the Governing Documents. In the event that there are no board members elected, and that all board positions are vacant regardless of cause, Management Company will continue to administrate and



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manage the Association until a Board is elected. In doing so, the Association, its members, occupants, family members and guests waives any and all claims against the Management Company for any and all services performed or not performed during the period without a Board. Association agrees to defend Navigate at its costs against any claims and/or lawsuit against management.

5. Corporate Transparency Act:

The Board of Directors acknowledges and agrees to comply with the requirements of the Corporate Transparency Act (CTA) if mandated by federal law. The Board further agrees to promptly provide any information necessary for the Management Company to assist in filing the necessary report(s) to comply with the CTA. Failure to comply with the CTA may result in penalties or legal consequences, which shall be the sole responsibility of the Board of Directors and/or the Association.

ARTICLE 9 MANAGEMENT FEE & COMPENSATION

1. Onboarding Fee.

For Management Company's services during the onboarding and transition period, an onboarding fee will be charged to the community. The fee is due within 30 days of signing the management agreement or at reasonably agreed date agreed by both parties.

The Onboarding Fee is listed in the Summary of Management Services.

2. Monthly Management Fee.

For Management Company's services under this Agreement, Management Company shall be compensated by a monthly management fee in addition to compensation to which it may be entitled under Schedule A or Addendum A. The Monthly Management Fee is listed in the Summary of Management Services starting on the first day of Management.

On January 1st of each year, compensation of Management Company may increase by up to 5% (five percent) without approval of the Board. Any increase above 5% (five percent) shall be approved by the Board of Directors.

Monthly compensation shall be paid in advance on the first of each month. Management Company shall be authorized to deduct such compensation when due and compensation due under schedule A from the Association's operating account without an invoice.

3. Administrative Costs & Supplies.

In the administration of the Association, Management Company may advance certain cost or provide supplies from inventory, which are costs of the Association. These costs include, but are not limited to,



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postage, scanning, printing, photocopying, mailings, bank charges, NSF fees, delinquency letters, tax charges, messenger service, additional billings, and consumable supplies for record maintenance. The additional costs are outlined in "scheduled A" of this Agreement. Association shall either pay these costs directly or, where such expenses are advanced by Management Company, Association specifically authorizes Management Company to reimburse itself for such expenses or based upon Management Company's then prevailing rates, which are intended to be approximate cost.

4. Additional Services.

In the event that the Management Company performs other services not customarily performed as Management Company, those services shall be compensated at an hourly rate and/or fixed fee in addition to the sums described immediately above. Such services shall include, but not be limited to, developing request for proposals (RFP), developer litigation or issues, construction management, coordination of maintenance and repairs project exceeding \$5,000 (five thousand dollars), onsite presence and monitoring, project coordination, project oversight, negotiation of bulk agreement, submeter billing, disaster management, providing access to units, restoration services, extended legal proceedings, insurance claims, extemporaneous accounting assignments, attendance in court on behalf of the Association, financing programs and loan application, FHA certification and re-certification, newsletter editing, website design, management of unit in possession due to a forcible entry, court and legal appearances.

5. Capital expenditures and project.

Maintenance, repair or replacement of reserve study items, capital project or capital expenditures, project with regular coordination and/or on-site supervision, may be subject to hourly rate and/or fixed fee as set forth in the schedule A in addition to the sums described immediately above.

6. Webpage, Application & AI system

In the event that the Management Company creates tools such as a dedicated webpage or website with information about the Association, or a dedicated application for smart phones or an AI (Artificial Intelligence) system for the Association, all information related to such tools, and the tools themselves (including, but not limited to webpage, website, application, AI system, forms) shall be considered a service of Management Company with Management Company retaining all proprietary right to the tools and information; and cannot be transferred to the Association or to another management company if this agreement is terminated by either party. Webpage, Application & AI system may be subject to additional fees and are not included as part of this Management Agreement.



ARTICLE 10 ONBOARDING & TERMINATION

1. Management Starting date & Term.

The Management start date is listed on the Summary of Management Services. The initial term of this Agreement shall be for two (2) years. Following the expiration of the initial term, the Agreement shall automatically renew in full force and effect for additional twelve (12) month periods, running from calendar year to calendar year, unless either party notifies the other of their intention not to renew in accordance with the termination provisions set forth in Article 10, Sections 3, 4, and 5 of this Agreement.

2. Transfer of the Association:

If the Association is under Declarant Control. The control of the Association shall be transferred to the community pursuant to RCW 64.90.415.

3. Termination by Association.

The Association may terminate this Management Contract without cause, in writing, upon at least sixty (60) days' notice of the renewal date of the Management Contract. Notice is from the first day of the month directly following the date notice is given to the last day of the following month. Therefore, if notice is given on June 15th, for example, then the effective termination date will be at the end of August—the second full month.

4. Breach of contract

If a dispute arises between the Association and Management Company; and if, in the opinion of the Board, Management Company has committed a material breach of this agreement, Association shall give Management Company 30 days' prior written notice to attend any Board meeting at which reasons for termination of this Agreement are to be discussed.

Management Company shall have 30 days following the Board meeting to resolve any reasonable deficiencies discussed. If Management Company has not resolved such deficiencies within 30 days, thereafter Association may terminate this Agreement with 30 days' notice and Management Company shall cooperate in transition as needed.

5. Termination by Management Company

Management Company may terminate this Agreement by written notice from Management Company to the Association:



Management Agreement

- (a) Without cause and at any time during the agreement's term, with a minimum of sixty (60) days to terminate the Agreement. Such termination shall be effective on the last day of the month in which the 60 days ends;
- (b) When there are insufficient operating funds to continue the operation of the Association, and such deficiency continues for a period of thirty (30) days after such notice; Management Company may terminate its services immediately;
- (c) When the Association is unable to, fails or refuses to maintain insurance coverages as specified in this Agreement or the Association's Governing Documents, Management Company may terminate its services immediately;
- (d) At any time for cause Management Company has the right to cancel this Agreement. "Cause" means a material breach of this Agreement, included but not limited, duty of care and breach of Fiduciary Duty of the Board. If the breach is for failure to make timely payments under this Agreement, Association shall have seven (7) days to cure such breach; failure to do so may result in immediate termination after the seven-day period.

6. Timeline of Transfer

At the Board's direction, Management Company shall turn over records to the Association's designated representative. Upon termination of this Agreement, Management Company will deliver the Association's books and records to its designated representative in accordance with RCW 64.38.045(12), RCW 64.34.372(1) and RCW 64.90.495(9). Within 30 days of termination, the Management Company will prepare and produce financial records sufficient for the Association and its future managers to reasonably and seamlessly maintain the Association's books. Management Company will make all Association funds available to the Association within 30 days of termination, except Management Company may withhold a reasonable amount necessary to pay any final invoices, not to exceed two months of estimated Association operating expenses based on the current annual budget. Any remaining Association funds shall be made available no later than 60 days following the date of termination.

7. Records Transfer Fee

At the time termination notice is given by Management Company or by Association, and without further authorization, for services in this section, Management company will be paid an amount equal to one month of management fee in addition to other compensations and reimbursements per Schedule A. Association will be required to pay Management Company's then prevailing hourly rate for its time spent on the orderly transition of Association's operations on Association's behalf beyond those tasks which are already included under the Base Fee of this Management Agreement.

8. Payment of ancillary fees due to Management

The Management Company shall have the right to pay itself, from Association funds, any outstanding fees incurred and charged to individual homeowners in accordance with *Schedule A* of this Agreement—including but not limited to collection fees, delinquency fees, and rental administrative fees—that have



Management Agreement

not yet been remitted to the Management Company. These fees represent actual costs incurred by the Management Company in the performance of its duties on behalf of the Association. In the event such fees remain unpaid by the responsible homeowner(s), the Management Company may deduct the equivalent amounts from Association funds as part of the regular financial reconciliation process. This provision ensures that the Management Company is compensated for services rendered, even in cases where homeowner reimbursement is delayed or uncollected.

**ARTICLE 11
CORPORATE TRANSPARENCY ACT**

To the extent the Corporate Transparency Act (31 U.S.C. § 5336) (“CTA”) applies to the Association, neither Agent nor any of its employees are intended or believed to exercise substantial control over the Association. While Agent may provide information relevant to the Association’s day-to-day operations and important decisions, it does not direct, determine, or substantially influence those decisions. All decisions over important Association matters are made exclusively by the Association’s Board.

The Management Company will assist in the filing of the Beneficial Ownership Information (BOI) on behalf of the Association, to the extent that the necessary information is provided by the Board of Directors or the Association in a timely manner. A fee for the initial filing, annual filing, and any subsequent filings will be charged as set forth in Schedule A. The Board of Directors/Association shall be solely responsible for providing the required information within the time frames specified under the CTA. Any fines or penalties resulting from a failure or delay to provide the necessary information to the Management Company for timely filing shall be the responsibility of the Board/Association.

**ARTICLE 12
GENERAL TERMS AND CONDITIONS**

This Management Agreement is subject to General Terms and Conditions listed on the Management Company’s Website at the following address:

<https://www.navigatecommunitymanagement.com/generalterms>

The Association acknowledges reading all general terms and conditions. Any modification to the General Terms & Conditions shall be notified with 30 days advance notice by email to the Board Members and shall be deemed accepted after 30 days.

Initials  / 

**ARTICLE 13
SCHEDULE A**



Management Agreement

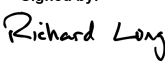
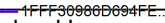
This Management Agreement is subject to schedule A as listed on the Management Company's website at the following address. <https://www.navigatecommunitymanagement.com/schedulea>. The Association acknowledges reading all pricing listed on Schedule A. Schedule A is subject to change without notice based on industry standards, third-party service providers notification, inflation and/or legislation.

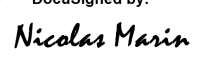
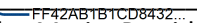
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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on 9/25/2025

FOR: Chestnut Trails Homeowners Association

FOR: **Navigate Community Management, LLC**

Signed by:

BY: 
Richard Long Board member

DocuSigned by:

BY: 
Nicolas Marin, President