

Cypress Way Homeowners Association

Dear Homeowner:

I am pleased to announce the engagement of a new association and property management company effective March 1, 2015. KSB Consulting, LLC has been hired to assume the duties of Managing Agent for the Cypress Way Homeowners Association. Please join me in welcoming KSB Consulting as we move forward to an improved level of association and property management that will benefit all homeowners.

The following are important items to be aware of and will require your immediate action:

Homeowner Association Dues:

Effective March 1, 2015, association dues will need to be made payable as follows:

Cypress Way Homeowners
c/o KSB Consulting
PO Box 3408
Everett, WA 98213

Homeowner Contact Information:

We will need an accurate homeowner and resident contact list. Please fill out the enclosed Cypress Way Homeowners Association Contact Information Form in its entirety and return via mail or fax to KSB Consulting, Attn: Kim Bergesen.

Management Contact Information:

KSB Consulting, LLC
Attn: Kim Bergesen
PO Box 3408
Everett, WA 98213
Phone: (425) 344-5998
Fax: (425) 645-7871
Email: Kim@KSBConsulting.net

Thank you for your assistance in this transition and I look forward to reliable and quality association and property management from KSB Consulting.

Sincerely,

Adam Olsen | Cypress Way Homeowners Association President | (855) 476-2626

Professional Service Agreement

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") dated 1/7/2015 is between Cypress Way Condominium Association ("Client") and KSB Consulting, LLC a Washington Limited Liability Corporation ("Consultant").

Client is the authorized agent of the real properties ("Properties") Cypress Way Condominium, which is the subject matter of the services covered by this Agreement.

CLIENT AND CONSULTANT AGREE AS FOLLOWS:

1. **Appointment of Consulting.** The Client hereby appoints the Consultant, and the Consultant accepts appointment, on the terms and conditions hereinafter provided, as the exclusive managing consultant of the Homeowner Associations as agreed upon, to manage the affairs of the Association in accordance with the terms and conditions of this Agreement and the Declaration and Bylaws of the Association. The total compensation to which Consultant shall be entitled during the terms of this Agreement shall consist of fees for recurring routine services, non-recurring services and for no-routine services, as stated in attached Exhibit A.
2. **Additional Services and Corresponding Fees.** Upon request from Client, Consultant can provide services beyond the scope of Initial Consulting Services. Such services are referred to herein as "Additional Services." Unless otherwise agreed to in writing by Client and Consultant, fees for additional Services will be computed on an hourly basis at Consultant's standard rates of \$50.00 per hour.
3. **Expenses.** Fees quoted in Exhibit A include Consultant's expenses except if otherwise agreed to in writing by Client and Consultant.
4. **Taxes.** The fees quoted in this Agreement do include sales tax.
5. **Invoices.** Consultant will mail Monthly invoices in Consultant's standard formant reflecting Exhibit "A" and to be paid within 30 days of the invoice date, after which time absent full payment, Consultant may at its sole option terminate this Agreement without liability on the part of the Consultant. Any unpaid invoices are deemed to be correct and binding on Client unless Client provides to Consultant written notification of specific objections within 30 days of the date of invoice. Consultant will send Client Condominium budgeted invoices weekly for Client to pay directly.
6. **Late Payment Charges.** A late payment charge of one and one-half percent (1-1/2%) per month will be applied to any unpaid invoice balance beginning Forty Five (45) days after the date of the invoice, except that in no case will the late payment charge exceed the amount allowed by law. The right of change and collect the late payment charge shall not affect Consultant's right to terminate under paragraph 5 above.
7. **Client's Responsibilities.** Client will provide the names of the persons authorized to give direction to Consultant, order Additional Services, and in all other ways serve as Client's authorized representative in regard to this Agreement. Client will also provide a list of Associations in which it is agreed upon that the Consultant will be managing.
8. **Bank Account.** Consultant shall maintain checking accounts for the associations in a manner to indicate the custodial nature thereof, for the deposit of the moneys and regular maintenance of the associations. Association funds will be place in an account belonging solely to each association and won't be co-mingled with any others.
9. **Independent Contractor Status.** It is expressly understood that Consultant is to perform services as an independent contractor.
10. **Terms.** The commencement date of this Agreement shall be the date shown in the first paragraph of this agreement and continue monthly. This agreement may be terminated by Client giving Consultant written notice, sixty (60) days prior to the termination date.
11. **General Conditions.**
 - a. If all or any portion of Consultant's Services are suspended or terminated, Consultant shall be entitled to full payment for all service performed through date of suspension or termination.
 - b. This Agreement, including attached Exhibit A, states the entire agreement between Client and Consultant with respect to its subject matter.

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

CLIENT:
 Cypress Way Condominium
Adam Olsen
as President
 Phone: (425) 829-0449
 Phone:
 Email: adam@rocococoFee.com

CONSULTANT:
 KSB Consulting, LLC
 PO Box 3408
 Everett WA 98213
 Phone: 425-344-5998
 Fax: 425-645-7871
 Email: Kim@KSBConsulting.net

Client

Consultant: _____

Kim Bergesen

Date: 1/13/15

Date: _____

KSB Consulting



Exhibit "A"

- Condominium Association Bookkeeping - \$175 per month

*Assist with creating the Budget

*Manage billing and collections of all unit assessments monthly

*Manage HOA bank accounts on behalf of the association and payment to all authorized credits. Send Bank statements and accounting to Client.

Write Monthly checks to vendors (including consulting fee)

Mailing of late fees, lien notices and filing of lien notices (Recording and certified mail fee to be paid by the condominium.

Keep open communication with the homeowners by phone, email and letter including rule violations and warnings and fines)

Vendor Management (Communicate with Landscapers, insurance agent and getting bids)

Fill out any paperwork that a lender or homeowner may need for the sale or refinancing of their home (including resale certs)

Additional Charges:

Meetings \$100.00

\$50.00 for mailing to the entire Homeowners (there is no additional charge for one or two mailing to individual units for violations that is covered in the monthly fee)

\$50.00 for Resale Certification (Paid by Seller – Not HOA)

\$50.00 File Tax Return

\$50.00 File annual Non Profit with the Secretary of State (This includes the filing fee to the Secretary of state)

Cypress Way Condominium
PO Box 3408
Everett WA 98213

To All Homeowners of Cypress Way

May 10, 2015

After Reviewing the Financial information (Actuals vs Budget) for 2015, we received several emails of concern to bring this information to a vote to increase the 2015 budget. We have enclosed a revised 2015 Proposed Budget that we are bringing to the homeowners for a vote to approval the increase of the 2015 Budget, which would go into effect as of July 1st, 2015 to increase current maintenance funds, the reserve balance and to help with future costs.

We understand this usually takes place at the annual meeting, but we feel it is important to not waiting. Instead of doing this by meeting we would like to this vote by mail/Email in ballot. If any homeowner does not agree with doing this by mail it ballot please email me at Kim@KSBConsulting.net.

Bellow will be a ballot to vote by all homeowners, the proposed Revised 2015 Budget as follows:

AD Option A: I hereby approve the Revised 2015 Budget, that would take effect July 1st 2015 by this ballot.

_____ Option B: I do not approve the Revised 2015 Budget

Adam Olsen

Name

5/31/15

Date

All Ballots need to be post marked or emailed in by June 15th, 2015.

Please feel free to email Kim@KSBConsulting.net, if you have any questions.

Sincerely

Kim Bergesen
On behalf of the Cypress Way Homeowners

**KSB Consulting
PO Box 3408
Everett WA 98213
Kim@KSBConsulting.net
(425)344-5998**

5 YR FINANCIAL EVALUATION

Ordinary Income/Expense	BUDGET	2010	2011	2012	2013	2014
Income	\$ 37,848	\$ 39,260	\$ 38,280	\$ 39,024	\$ 38,383	\$ 36,608
Expense						
General & Administrative	\$ 8,570	\$ 11,489	\$ 7,889	\$ 8,287	\$ 6,821	\$ 9,101
Utilities	\$ 13,111	\$ 11,322	\$ 11,859	\$ 12,805	\$ 11,964	\$ 12,111
Repairs & Maintenance	\$ 11,895	\$ 15,410	\$ 18,071	\$ 17,185	\$ 16,469	\$ 13,372
Total Expense	\$ 33,576	\$ 38,221	\$ 37,819	\$ 38,276	\$ 35,254	\$ 34,584
Net Ordinary Income	\$ 4,272	\$ 1,039	\$ 461	\$ 747	\$ 3,129	\$ 2,025
Reserve Fund Contributions		\$ (3,233)	\$ (3,811)	\$ (3,525)	\$ (1,143)	\$ (2,247)

2015 Revised PROPOSED BUDGET (Effective 7/31/2015)

Ordinary Income/Expense	BUDGET		Budget Dues Breakdown			
	2015 Current	Revised 10%	Units	Dues %		
Income						
Regular Assessment	37,848.00	41,633.00	Total Dues		41,633.00	
Expense						
General & Administrative			1	5.63%	2,343.94	195.33
Accounting	2,300.00	2,300.00	2	6.33%	2,635.37	219.61
Insurance	6,500.00	6,500.00	3	5.61%	2,335.61	194.63
Income Tax Liability	100.00	100.00	4	6.31%	2,627.04	218.92
Utilities			5	5.50%	2,289.82	190.82
Electricity	200.00	200.00	6	5.61%	2,335.61	194.63
Water/Sewer	11,500.00	11,500.00	7	6.31%	2,627.04	218.92
Repairs & Maintenance			8	5.61%	2,335.61	194.63
Exterminating	300.00	300.00	9	6.31%	2,627.04	218.92
Fencing	885.00	885.00	10	5.52%	2,298.14	191.51
Fire & Safety	660.00	660.00	11	6.81%	2,835.21	236.27
Gutters & Windows	1,050.00	1,050.00	12	5.14%	2,139.94	178.33
Landscaping	8,800.00	8,800.00	13	5.61%	2,335.61	194.63
Roof Maintenance	850.00	850.00	14	6.31%	2,627.04	218.92
Reserve Fund Contribution	6,000.00	8,000.00	15	5.60%	2,331.45	194.29
Total Expense	39,145.00	41,145.00	16	6.31%	2,627.04	218.92
			17	5.48%	2,281.49	190.12
Net Ordinary Income	(1,297.00)	488.00	Total	100.00%	41,633.00	3,469.42