

**EQUUS MANAGEMENT GROUP
5480 RENO CORPORATE DRIVE
SUITE 100
RENO, NV 89511**

MANAGEMENT CONTRACT

This agreement is by and between Equus Management Group organized under Chapter 78 of the Nevada Revised Statutes (herein called "Management Agent") and Sierra Ranchos Property Owners Association, a Nevada Nonprofit Corporation organized under Chapter 81 of the Nevada Revised Statutes (herein called "Association").

WITNESSETH:

FOR AND IN CONSIDERATION of these premises and of the mutual promises and covenants herein contained, Management Agent and Association agree as follows:

1. ENGAGEMENT

The Association does hereby appoint Equus Management Group as the Agent for the Association and does hereby engage the services of the Management Agent as the exclusive Association Manager of the Association, and for the property known as Sierra Ranchos, (herein called "the Property") located in Washoe County, Nevada and consisting of the following improvements:

- ~~A. 212 Separate Interests;~~
- B. Private Roads;
- C. Common area landscaping;
- D. All other common areas as delineated in the Reserve Study.

And the Management Agent does hereby accept such engagement. The Management Agent is an Independent Contractor.

2. TERM

The commencement date of this Agreement shall be the 1st day of September 2022 and shall, unless sooner terminated under provisions herein, be effective until the 31st day of August 2023. The provisions of this Agreement may continue on a month-to-month basis, after the term of the Agreement has elapsed. If continuing on a month-to-month basis is the Association's choice then the monthly management fee shall carry a 20% premium until a new agreement is signed.

3. SERVICES OF THE MANAGEMENT AGENT

The services of the Management Agent shall include:

- A. **General Administration.** The Management Agent will provide general administrative and community service management to the Association. The Management Agent will supervise the Association to insure proper operational management and maintenance and to promote a meaningful relationship between the Board of Directors, the Residents and the Management Agent;
- B. **Maintain Association Files.** The Management Agent shall collect, organize and maintain complete files for the Association of all legal documents, owner lists, correspondence, house rules, site plans, blueprints, specifications and other files required to be kept by and for the length of time specified in NRS 116;
- C. **Assist with Communications.** The Management Agent shall assist the Association with their newsletters, special notices, questionnaires and other Association specific communications;
- D. **Resolve Owner Problems.** The Management Agent shall assist in resolving individual owners' problems as they pertain to the Association, common elements and governing documents;
- E. **Regular Property Inspections.** The Management Agent shall make monthly inspections of the Association's property, rendering reports as necessary and making periodic recommendations concerning the property to the Board of Directors. Inspections shall include evaluation of the landscaping, monument signs, fences and other common areas of the Association;
- F. **Assistance to the Board of Directors.** The Management Agent shall provide administrative support services to the Association's Board of Directors, including: notification of Board meetings; circulating the minutes, outlining and amending the rules and regulations; and attending Board meetings. Unless your CC&R's or Bylaws specifically require a meeting date and time, any meeting scheduled to start after 6:00PM on a weekday, any weekend meeting, or any meeting scheduled on a Natuational or Federal Holiday will be billable for the entire meeting at the Community Manager Billing Rate. Attendance at

meetings in excess of two (2) hours in duration per 24-hour period will be considered extra work and the time spent in excess of two (2) hours will be billed at the rate specified in addendum A;

- G. **General Membership Meeting.** The Management Agent shall organize the annual meeting of the members of the Association, including the preparation and delivery of the meeting notice, and proxy forms. The Management Agent will prepare the agenda for this meeting and will assist in overseeing the election of new Board members;
- H. **Financial Management Services.** The Management Agent will provide financial management services, but not financial planning services, to the Association including an effective accounting system;
1. **Annual Budgets.** The Management Agent shall prepare an annual cash flow budget for the Association. The budget shall illustrate expected, recurring receipts and disbursements. The Management Agent shall distribute the Board approved budget to the membership within the time frame specified in NRS 116 and shall organize and attend the Budget Ratification Meeting;
 2. **Reserve Studies.** The Management Agent shall assist the Reserve Study Specialist chosen by the Board of Directors in the preparation of an annual reserve study for the replacement of major components of the Association's common areas in accordance with NRS 116;
 3. **Financial Statements.** The Management Agent shall prepare periodic financial statements to be delivered to the Board Treasurer on a schedule set forth by the Board of Directors, but in no case less than every 90 days, which shall include:
 - A. Income Statement;
 - B. Balance Sheet;
 - C. ~~Delinquency Report;~~
 - D. Bank Reconciliation with original bank statements;
 - E. And any other reports requested by the Board of Directors;
 4. **Year-end Statements.** The Management Agent shall prepare a year-end statement of the operations of the Association. The Management Agent shall assist the CPA selected by the Board, to perform a year-end audit;
 5. **Collect Assessments.** The Management Agent shall collect assessments monthly. The Management Agent will maintain checking, savings and other accounts as are customary for such associations. The Management Agent shall mail delinquency notices to any owner in arrears in accordance with the governing documents and Board Policy and, in the event of failure to collect delinquent accounts, will use any and all methods of collection allowed by law. The Management Agent shall not prepare or file liens and shall not participate in any foreclosure proceedings except to monitor such proceedings to the best of its ability;
 6. **Make Disbursements.** The Management Agent shall make all required disbursements for the Association. The Management Agent shall make all disbursements from assessments collected for normal recurring expenses as provided in the Board approved budget. The Management Agent will be granted authority to make any budget expenditures as provided in the approved budget, up to \$1,000, at the Management Agent's own discretion. All non-budget expenditures, variations above the approved budget and reserve expenditures will be made only with the prior approval of the Board, except in cases of emergency, which require prompt action to avoid further loss or to protect the health and safety of the members of the Association. All checks for disbursements from the operating account and the reserve account shall be signed by two (2) members of the Board of Directors. The Management Agent and the Community Manager shall not be signatories on any Association bank account;
- I. **Contractual and Physical Administration.** The Management Agent will supervise the maintenance of the Association's common areas, improvements and equipment;
1. **Service Contracting - Annual.** The Management Agent shall solicit, analyze and compare bids, and negotiate annual contracts for the Board for the services of contractors for any requisite grounds maintenance, landscaping, lighting, security services, CPA and legal services a maximum of once every three years. The Management Agent shall not solicit, analyze or compare bids for management of the Association;
 2. **Service Contracting – Special.** The Management Agent shall solicit, analyze and compare bids, and negotiate special, one-time contracts as directed by the Board. The Management Agent will endeavor to obtain three bids whenever feasible;
 3. **Monitor Contractor' Performances.** The Management Agent shall review the service contractors' performances, to insure compliance and progress, and recommend changes based upon experience to provide greater efficiency and lower maintenance effort and/or cost;

- J. **Web Site Maintenance.** The Management Agent shall provide the Association with a presence on the World Wide Web through the Management Agent's web site, which shall provide members with access to agendas, summary of meetings and governing documents. Web site content shall be subject to approval of the Board.
- K. **Employee Leasing.** The Management Agent shall provide the Association with on-site employees, the nature and number to be determined by the Board of Directors. The Leased Employees shall be employed by Management Agent, assigned exclusively to the Property and their compensation shall be determined by the Board of Directors. The job descriptions of the Leased Employees shall be determined by the Board of Directors however, the Management Agent, may, at its sole discretion, delegate certain duties listed in this agreement to the Leased Employees. The Management Agent shall be released from all liability and held harmless regarding the actions of the Leased Employees. The Association shall reimburse the Management Agent for the total cost of the Leased Employees, including, but not limited to, wages, taxes, insurance, bonuses, and payroll processing fee of \$25.00 per employee per pay period and mileage reimbursements. Reimbursement for Leased Employees shall be made to the Management Agent no later than 14-days after any compensation is paid to the Leased Employees. Leased Employees shall be interviewed, hired and terminated by a representative of the Association. Management Agent agrees to abide by the hiring and termination decisions of the Association. Management Agent reserves the right to terminate the employment of any Leased Employee for cause.
- L. **Direct Hire Employee.** Any employees hired or retained as employees under the Associations tax payer ID will need a third party administrator to handle payroll, which shall be hired by the Association.

The above services, excluding Board meetings and the annual meeting of the members, shall be performed during normal business days and times.

4. COMPENSATION

Management fees shall be due and payable on the first of each month that the Management Agent will perform services under this agreement. All other compensation shall be due and payable upon receipt of the invoice for the specified service. All invoices will be considered delinquent fifteen (15) days after the invoice date and delinquent invoices are subject to late fees and interest.

Please see Addendum A for a full statement of fees.

5. SUBCONTRACTORS

The Management Agent is free to hire subcontractors, with written approval by the executive board, to carry out its duties under this Agreement.

6. TERMINATION

Either party may cancel this Agreement, with or without cause, before the termination date specified in paragraph 2 herein, on not less than a thirty (30) day, written notice to the other party. The association may be subject to an early termination fee if this agreement is cancelled without cause prior to the end of the term. See Addendum A for a full statement of fees.

7. TERMINATION PROCEDURES

Upon termination by either party for any reason whatsoever, whether or not such termination is for cause, the parties shall observe the following procedures:

- A. **Turnover of Records.** The following records shall be provided to the Association by the Management Agent within thirty (30) days of the termination of this Agreement:
 1. Copies of all tax returns of the Association retained by the Management Agent;
 2. All bank statements, cancelled checks and other bank records of the Association retained by the Management Agent;
 3. Copies of all financial statements not previously provided to the Association;
 4. All accounting and legal records of the Association including by way of example but not limited to the general ledger, general journal, accounts payable information, monthly assessment records, corporate minutes book, unit owner roster, contracts with third parties, and any other documents to which the Association is a party.
- B. **Association Funds and Bank Accounts.** Any funds belonging to the Association shall be returned to the Association on the termination date of this agreement, with the exception that the Management Agent may, at its discretion, retain in an escrow account the sum of money which is necessary to pay accounts payable which are the obligation of the Association to pay but which have been contracted for in the name of the

Management Agent. The Management Agent in the event it retains any of these sums described herein, shall provide the Association with an accounting showing the purposes of the retention at the time it returns the remaining funds to the Association.

8. DISPUTE PROCEDURE

The Association agrees to provide written notice to the Management Agent of any and all disputes regarding the terms of this agreement and to allow the Management Agent thirty (30) days to rectify the dispute. Any dispute arising between the Management Agent and the Association regarding the terms of this Agreement that are not rectified in thirty (30) days shall be submitted to binding arbitration, according to the rules of the American Arbitration Association.

9. ACCOUNTING AND LEGAL SERVICES

The Association shall be responsible for the engagement of attorneys and accountants to provide, at the Association's expense, any legal and accounting services not required to be performed by Management Agent pursuant to the terms of this agreement. The Management Agent will not provide legal advice. Such services to be paid for by the Association include, by way of example but not limited to, annual audits, attorney's fees for legal action taken to collect delinquent assessments, to bring any units owner into compliance with the governing documents, to bring suit on behalf of or to defend any suit filed against the Association, unless such litigation is the result of a wrongful act on the part of the Management Agent.

~~10. ANNUAL CERTIFIED AUDIT~~

The Association, at its expense, shall cause an annual audit, review or compilation to be prepared as per NRS 116, conducted by an independent CPA, of the financial statement prepared by and of the system of internal control of the Management Agent in maintaining the records of the Association.

11. PROPERTY RIGHTS

All records and books of the Association, except any proprietary information and software belonging to the Management Agent, are and shall remain the property of the Association. The records of the Association shall be located in the main office of Equus Management Group, located at 5480 Reno Corporate Drive, Suite 100, Reno, Nevada, 89521 and at Public Storage, 4875 S McCarran Blvd. Unit # 4712, Reno, NV 89502.

12. INSURANCE REQUIREMENTS

The Association shall maintain crime insurance which includes coverage for dishonest acts by members of the executive board and the officers, employees, agents, directors and volunteers of the association and which extends coverage to any business entity that acts as the community manager of the association and the employees of that entity. Such insurance may not contain a conviction requirement, and the minimum amount of the policy must be not less than an amount equal to 3 months of aggregate assessments on all units plus reserve funds or \$5,000,000, whichever is less. In the event of termination of the crime insurance by the Association or the insurance company, the Association shall provide notification of such cancellation to the Management Agent as soon as possible. In the event of cancellation, however, the Association shall immediately obtain a substitute crime insurance policy.

Management Agent shall carry Errors and Omissions insurance in the amount of \$1,000,000.00 or more and the Management Agent's liability shall be limited to actual damages sustained by the Association.

All employees of the Management Agent shall be covered by Worker's Compensation Insurance at no additional cost to the Association.

The Association shall purchase, at its expense, Directors and Officers Insurance for the Board of Directors. Management Agent shall be named as an Additional Insured under the Association insurance contracts.

13. SERVICES NOT INCLUDED

The following services shall not be provided by the Management Agent as part of the basic services in section 3 of this Agreement, and consequently, these services shall constitute other services will be billed at the rate specified in addendum A:

- A. Court appearances, depositions or consultations with attorneys in connection with litigation filed or proposed on behalf of or directed at the Association;
- B. Warranty or punch list work, either in connection with claims arising against the developer or against contractors under contracts begun prior to the management contract;
- C. Work inside individual units;
- D. Amendments or rewrites to the CC&Rs, Bylaws or Articles of Incorporation;

- E. Re-sale disclosure procedures where applicable;
- F. Any other services not specifically included or mentioned in this Agreement.

14. COMMUNITY MANAGER

A Community Manager is an employee of the Management Agent and is assigned to the daily management of the Association and shall exercise the standards of practice for community managers as defined in NRS 116A.630.

For the purpose of this Agreement, the term Management Agent shall include the Community Manager but the term Community Manager shall not include the Management Agent.

15. NOTICE

Notice which either party desires to give or is required to give to the other party under the terms of this Agreement shall be given by Certified Mail, return receipt requested, and it shall be deemed given when it shall have been deposited in the United States Mails, addressed to the party for whom it is intended as follows:

For the Association:

Joy Marvin, President SRPOA

PO Box 11513

Reno, NV 89510

For the Management Agent:

Matt Kramer – Management Agent
Equus Management Group
5480 Reno Corporate Drive, Suite 100
Reno, NV 89511

16. GOVERNING LAW

The laws of the State of Nevada shall govern this Agreement. In the event, however, that any provision contained in this Agreement is in conflict with the laws of said State, such provision shall be deemed invalid and superseded by the governing State laws; but in such event, the remaining provisions of this Agreement shall remain in full force and effect.

17. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of the heirs, the personal representatives, successors and assigns of the Association and the heirs, the personal representatives, successors and assigns of the Management Agent. Notwithstanding the preceding sentence, the Association shall not assign its rights under this Agreement without the prior written consent of the Management Agent.

18. INDEMNIFICATION

To the fullest extent permitted by law, the Association shall immediately fund the full defense of Management Agent from and against any and all claims, causes of action, demands, liabilities, damages (whether direct, incidental, consequential, special or otherwise), losses, fees, expenses or costs of any nature, including attorney's fees, brought or incurred by third-parties ("Claim") which relates in any way to the Management Agent's services to the Association or obligations under this Agreement. The Association's duty to defend will arise upon notice to Management Agent of any Claim against Management Agent.

In addition to the foregoing, to the fullest extent permitted by law, the Association shall indemnify and hold Management Agent harmless from and against any Claim which relates in any way to the Management Agent's services to the Association or obligations under this Agreement. The indemnification of the Management Agent contained herein shall apply to third-party claims only and not to any claims the Association may have directly against the Management Agent for its negligence.

19. INTEGRATION CLAUSE

This Agreement constitutes the full understanding of the parties hereto, and no prior or contemporaneous oral representations or prior written representations made by either party shall be binding. This Agreement may be modified only in writing signed by both parties.

In witness whereof, the parties have affixed or caused to be affixed their respective signatures.

SIERRA RANCHOS PROPERTY OWNERS ASSOCIATION

By: Joy K. Marvin
Joy K. Marvin (Aug 16, 2022 11:44 PDT)
Association President

Aug 16, 2022
Date

EQUUS MANAGEMENT GROUP

By: [Signature]
Matt Kramer – Management Agent

8-16-2022
Date

RECOMMENDATIONS:

Equus Management Group highly recommends that:

1. The Association carry Workman's Compensation Insurance and Third Party Cyber Coverage
2. The Association register with the Division, maintain its registration and file all papers with the Division and the Secretary of State as required by law;
3. The Association be in compliance with all applicable federal, state and local laws and the governing documents of the association;
4. ~~The Association obtain advice from an expert relating to matters that are beyond the expertise of the community manager.~~

DISCLOSURES:

The Management Agent does not expect to receive any direct or indirect compensation or profits from any person who may perform services for the Association with the exception of Management's Maintenance Department. The Management Agent has no affiliation with or financial interest in any person who furnishes any goods or services to the Association with the exception of Management's Maintenance Department. Management Agent has no personal relationships with any unit's owner, member of the executive board or officer of the Association which would cause a conflict of interest. Per NRS116A.610, some employees of the Management Agent may receive direct or indirect compensation, gifts or profits from any person who will perform services for the client and, if so, the identity of the person and the nature of the services rendered.

- Taylormade Roofing – Holly Taylor
 - o Roofing repairs and replacements.
- Traveling Toolbox Construction – Joele Decker
 - o Painting, Plumbing and Heating, Carpentry Maintenance and Minor Repairs, Flooring, Installing Terrazzo and Marble and Landscape Contracting.
- GKL Consulting – Lara Knipmeyer Garrell
 - o Continuing education for Community Managers and Board Members.
- Battle Born Management Service – DBA Battle Born Maintenance Services – Jamie Evans
 - o Handyman Services

SIERRA RANCHOS
ADDENDUM A
Schedule of Compensation

Base Monthly Management Fee	\$2,000.00
Black and White Copies	\$0.20/each
Color Copies	\$0.50/each
Copies and Printing by a 3 rd party vendor	Actual Cost
Postage	Actual Cost
Annual Election Package Supplies	Actual Cost
Envelopes (all sizes)	\$.05/each
New Account Set-up Fee ^{1, 5}	\$200
Resale Package ⁶	\$185
Expedite Fee Resale Package ¹	\$100
Certificate of Resale ⁶	\$165
Statement Expedite Fee ¹	\$100
Late Statements	No Charge
1 st Delinquent Letter	No Charge
2 nd Delinquent Letter ²	\$25/each
Trustee Service Audit Fee ²	\$100
1 st CC&R Violation Letter	No Charge
2 nd Violation (Hearing) Letters ²	\$25/each
Returned Item Fee ³	\$25/each
Compliance with NRS and NAC 116	Actual Cost
Out of Pocket Expenses	Actual Cost
Record Storage (Monthly)	\$2/box
Owners Billing Rate	\$150/hr
Community Manager Billing Rate	\$100/hr
Maintenance Staff Billing Rate	\$60/hr
Support Staff Billing Rate	\$40/hr
Leased employee administrative fee, per employee, per pay period	\$25
Preparation of Forms 1099 and 1096	\$10/each
Association set up fee	\$500
Early Termination Fee	3 Months of Management Fees
Frequency of Board Meetings	4/year
Frequency of Member Meetings (Annual and Budget Ratification)	2/year
Frequency of Committee Meetings	Not Included
Time Limit of Meetings	2 hours
Separate Compliance Personnel	Not Included
Incoming Fax	No Charge
Outgoing Fax	No Charge
Special Assessment Charge	No Charge
Assessment Change Charge	No Charge
Web Site Maintenance	No Charge
Newsletters ⁴	No Charge
Registered Agent Fee (Annual)	No Charge
Late Fee on \$ owed to Managing Agent	\$25
APR on \$ owed to Managing Agent	Prime + 2%

NOTES:

1. These costs are charged to the buyer/seller, not to the Association and they are collected through escrow.
2. These costs are charged to the Association and the Association may pass them along to the unit owner.
3. This is charged to the person or business that wrote the check, not to the Association.
4. Hourly charge for whichever staff member is working on the project.
5. The Association may charge more than \$200 for a transfer fee and retain the difference. Management Agent retains all other fees.
6. Because of the way State Law is worded, these costs must first be charged to the Association and the Association is reimbursed through escrow so the net cost to the Association is zero.







Sierra Ranchos POA

Final Audit Report

2022-08-17

Created:	2022-08-15
By:	Matt Kramer (matt@equusmanagement.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAQ0mKq7NzWfb2PVYsfpdk2gQhvigj7bHt

"Sierra Ranchos POA" History

-  Document created by Matt Kramer (matt@equusmanagement.com)
2022-08-15 - 2:49:51 PM GMT- IP address: 35.131.20.210
-  Document emailed to Joy Marvin (galwayjoul@aol.com) for signature
2022-08-15 - 2:51:22 PM GMT
-  Email viewed by Joy Marvin (galwayjoul@aol.com)
2022-08-17 - 1:41:35 AM GMT- IP address: 71.92.191.11
-  Signer Joy Marvin (galwayjoul@aol.com) entered name at signing as Joy K Marvin
2022-08-17 - 1:44:56 AM GMT- IP address: 71.92.191.11
-  Document e-signed by Joy K Marvin (galwayjoul@aol.com)
Signature Date: 2022-08-17 - 1:44:58 AM GMT - Time Source: server- IP address: 71.92.191.11
-  Agreement completed.
2022-08-17 - 1:44:58 AM GMT

