

ACCOUNTING SERVICE CONTRACT

THIS AGREEMENT, made this 7th day of March , 2010, is by and between Forest Oaks Homeowners Association, Inc., with principal place of business located in the City of Coon Rapids, Minnesota (hereinafter referred to as "the Association"), and Smith Accounting Service, 858B Lake Street E., Wayzata, MN 55391 (hereinafter known as "contractor").

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties hereto agree as follows:

I. TERM

The term of this agreement will be from January 1, 2010, through December 31, 2011.

II. SERVICES

Contractor will provide accounting services as requested by the Association and further specified below. Specifically, contractor will provide the following:

A. Receipts and Homeowners Fees

1. Obtain monthly Homeowners payments and maintain Individual owner record of payments and other charges.
2. Prepare monthly statement of past due accounts in the Form requested by the Association.
3. Take necessary action to collect past due accounts.
4. Maintain a list of homeowners. Advise the Board of Directors of changes on a monthly basis.
5. Provide special reports and information as required for sale of property.

B. Disbursements

1. Prepare checks in payment of expenses after approval by the Board of Directors. Annual contracts and utilities are automatically approved by the Board.
2. Provide the Board of Directors with detailed listing of monthly expenditures.

C. Financial Position

1. Prepare detailed monthly statement of total receipts and disbursements with closing bank balances. Statement shall show comparison to budget – monthly and annual.
2. Transfer of funds in checking and money market accounts as deemed necessary.
3. Make recommendations to the Board of Directors for investment of funds in excess of monthly and annual requirements. Invest monies as directed by the Board of Directors.
4. Assist Board of Directors in preparation of annual and planning budgets.
5. At the direction of the Board of Directors, obtain annual audit and income tax preparation. This Agreement does not include actual preparation of State and Federal Income Tax Returns.

III. REIMBURSEMENTS

The Association hereby agrees to provide reimbursements and benefits to Contractor for time, work and efforts:

- A. Five Hundred Twenty Dollars and NO/100 per month (\$520.00) for term of this agreement beginning January 1, 2010 and ending December 31, 2010 and Five Hundred Forty Dollars and NO/100 per month (\$540.00) for term for term of this agreement beginning January 1, 2011 and ending December 31, 2011..
- B. Monthly payments under this Agreement will begin February 1, 2010, and the final payment under this agreement will be January 1, 2012.
- C. Reimbursement for postage will be made in December of each year or at the end of the contract period, whichever is first. Labels will be reimbursed monthly at \$0.05/label. Certification Letter fees will be paid 100% to the Contractor @ \$175.00 per sale.

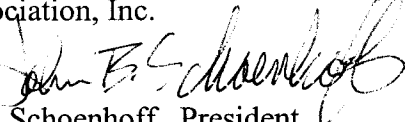
IV. TERMINATION

This Accounting Service Agreement shall be terminated upon the happening of the following event: passage of 60 days following the date upon which the Association or the Contractor gives written notice to the other of its intention to terminate this Agreement due to a breach or default by either party. All notices shall be in writing and shall be delivered by mail in the U.S. with postage prepaid.

IN WITNESS WHEREOF, this Accounting Service Agreement has been accepted and executed as of the day and year first above


ASSOCIATION:

Forest Oaks Homeowners
Association, Inc.

By: 
John Schoenhoff, President

CONTRACTOR:

Smith Accounting Service

By: 
Daniel J. Smith, Owner