


GOODWIN

SINCE 1978 & COMPANY OF TEXAS
ASSOCIATION MANAGEMENT

ASSOCIATION MANAGEMENT AGREEMENT


Association	Bradford Park Homeowners Association		
Property Address	Andres Way, Round Rock Texas 78664		
Property Description	278 Unit Single Family HOA		
Commencement Date	January 1, 2022	Maintenance Repair Limit	\$500
Expiration Date	January 31, 2022	Service Contract Limit	Association Approval
Manager Compensation	\$ <u>900</u> per month, increased annually by 3% with Board approval.		
Other Charges	Administrative charges as provided for herein and as shown on Exhibit A.		
Assn. Point of Contact	Keith Lindsey		
Address City ST Zip	2610 Andres Way, Round Rock, TX 78664		
Phone and Email	kalecomm@gmail.com		
Site Visit Frequency	Twice per month inspections		
Manager Meeting Attendance Required	Monthly plus Annual		
Manager Point of Contact	TBD		
Manager Federal Tax ID	74-2474197		

By the signatures below the parties hereto accept the terms of this Agreement and all addendums hereto.


MANAGER Goodwin & Company

President

 Signature and Title: Matt Gibson, President

Date Signed: Dec 10, 2021

ASSOCIATION

Keith A. Lindsey (Dec 8, 2021 20:28 CST)
President

 Signature and Title


V Falcone (Dec 10, 2021 13:34 CST)
Secretary

 Signature and Title

Date Signed: Dec 8, 2021


Molly Salzwedel (Dec 10, 2021 08:21 CST)
Vice President

ASSOCIATION MANAGEMENT AGREEMENT (continued)

This Agreement is by and between the Association and the Manager.

1. **MANAGER APPOINTMENT** The Association represents that it is the lawful agent of the property owners comprising the Association and that it has the right to collect owner fees and manage the Property. The Association hereby engages the services of the Manager to operate and manage the Property.

2. **TERM** This Agreement shall begin on the Commencement Date and shall expire on the Expiration Date. This Agreement shall automatically renew on a month-to-month basis unless otherwise terminated. Either party may terminate this Agreement without cause by giving the other party at least thirty (30) days written notice. Such notice shall not affect or impose any right which has accrued to either party prior to the date of notice. This Agreement shall terminate automatically upon termination of the Association's right to collect the owner fees therefrom, however, any monetary obligation of Association to Manager shall not terminate.

3. **MANAGEMENT** Manager shall operate and manage the Property consistent with the highest professional standards in the locale in which the property is situated. Manager shall act in a fiduciary capacity with respect to the proper protection of Association's assets. Manager shall serve the Association's best interests at all times.

4. **OPERATING BANK ACCOUNT AND RESERVE BANK ACCOUNT(S)** Manager shall use diligent efforts to collect all owner fees and other money due to the Association including, but not limited to, owner charges, periodic assessments and vending income. All receipts shall be deposited in the Association's operating bank account. Manager shall make all disbursements from the operating bank account. Manager may pay bills of the Association by auto-debit, auto-draft, credit card, or such other method as is customarily used by Manager in its accounting processes, provided, however, that the Association does not incur any additional cost or expense. Manager may establish an interest-bearing bank account(s). The Association's bank accounts shall be at an institution of Manager's selection. Periodically, Manager may transfer excess funds from the operating bank account into the interest-bearing bank account.

5. **INITIATE LEGAL PROCEEDINGS, COLLECTION FEES, AND BANKRUPTCY** When necessary, Manager may, with the Association's Board of Directors approval, initiate and pursue legal proceedings in suits for collection of delinquent owner fees. All expenses incurred in collection of money owed to the Association shall be the responsibility of the Association and may be paid from the operating account of the Association by Manager. Manager may assess administrative processing fees payable by the debtor (not the Association) at Manager's prevailing rates to compensate Manager for the time and expense incurred by Manager in collecting past due accounts. Administrative processing fees may be in the form of a single flat fee and/or a monthly recurring fee. Manager may pay itself from Association's funds, its prevailing fee to set up a bankruptcy file and make legally required adjustments to the accounts of homeowners that file for bankruptcy protection.

6. **MAINTENANCE AND REPAIRS** Manager shall expedite the performance of maintenance and repairs in the ordinary course operating the Property. No single expenditure for these purposes shall exceed the Maintenance Repair Limit without prior approval of the Association. If the Association's written approval is requested by Manager, it shall be promptly tendered by the Association. It is understood that all maintenance and repair expenses shall be paid from the operating account of the Association by Manager. In order to prevent damage or injury to persons or property or for other reasons (i.e., inability to immediately contact the Association), Manager may make expenditures for maintenance and repairs which exceed the aforementioned Maintenance Repair Limit amount without approval in which event the Association will be promptly notified of such expenditures.

7. **SERVICE CONTRACTS** Manager may enter into service contracts, not to exceed the Service Contract Limit for the cleaning, maintaining, or repairing of the Property. With Association approval, Manager may enter into service contracts in excess of the Service Contract Limit. Contract expenses shall be paid from the operating account of the Association by Manager.

8. **PROPERTY INSURANCE** It is the responsibility of the Association to obtain comprehensive insurance coverage against damage or injury to property or persons which might arise out of the operation, management, maintenance, repair or occupancy of the Property. The Association will provide Manager a copy of the master policy covering the Property. At the Association's request, Manager will solicit recommendations from a qualified insurance agency for coverage in amounts specified by Association. The final decision as to coverage and amounts of coverage lies with the Association. Manager may pay insurance premiums from the operating account. The Association will furnish certificates to Manager evidencing the existence of public liability and property hazard insurance. Any new or existing liability coverage for the Association and/or Property shall include Manager as "Additional Insured". Any cost to include the Manager as "Additional Insured" shall be considered an expense of the Association. If the Association does not provide certificates evidencing the existence of public liability and property hazard insurance, Manager may place said insurance and pay the premium out of the operating account.

9. TAXES AND OTHER ASSESSMENTS Real estate taxes, personal property taxes, improvement assessments, and other like charges shall be paid by Association. Manager may pay same from the Association's operating account. Manager is authorized to change the Association's mailing address with appraisal districts and taxing jurisdictions so that Manager can receive notices and tax bills on a timely basis. Upon Association's request, Manager shall review and verify assessments, taxes, and other like charges and recommend payment or appeal. Manager may procure the services of property tax analysts in analyzing property tax expenses and/or preparing protests and filing returns relating to such taxes. The Association shall pay the expenses and fees associated with such protests and filings.

10. FRANCHISE, SALES, AND INCOME TAXES AND AUDITS Franchise taxes, income taxes, sales taxes, and other like charges shall be paid by Association. Manager may pay such costs from the Association's operating account. Manager may procure the services of legal and accounting professionals for the preparation of franchise, income, and sales tax filings. In the event the Association is a corporate entity and it is not in good standing with the Secretary of State, Manager may retain the services of a CPA to take action necessary to bring the Association's corporate entity into good standing with the Secretary of State. Manager may further retain the services of a CPA to obtain an exemption from state franchise taxes and the annual filing of a franchise tax return. Manager may provide the aforementioned services to the Association and charge its prevailing rates for so doing. Fees relating to bringing the Association's corporate entity into good standing and/or obtaining exemptions available to the Association's corporate entity shall be paid by Manager from the Association's operating account. Manager may solicit and retain a CPA to prepare an annual audit, or such other periodic audits, as may approved by the Association. The Association is encouraged to obtain an annual audit. For administrative simplicity, Manager is authorized to act as the Association's registered agent with the Secretary of State and may execute any such filing with the Secretary of State or comptroller in a capacity of executive director or agent, whichever is required to consummate such filing.

11. BOOKS OF ACCOUNT Manager shall maintain adequate and separate books of account for the Association prepared on a cash basis. All entries shall be supported by sufficient documentation to ascertain that said entries are properly and accurately recorded. Manager shall maintain:

- Complete copies of all property reports rendered to Association
- Detailed cash account reconciliations
- Bank statements and supporting documentation of all debits and credits
- Bank account registers
- Explanations of all adjusting journal entries

Manager shall provide to the Association the Manager's standard Chart of Accounts used for classification purposes. All accounting records shall be based on a calendar year.

12. FINANCIAL REPORT Manager shall furnish to the Association a monthly financial report no later than the 15th day of the month following the month of operation. The Association shall have a period of 30 days after receipt of the financial report within which to request additional information concerning said report. Manager shall render such additional information within a reasonable period of time. If no requests for additional information are made by Association, the financial report shall be considered accepted by Association.

13. BUDGET An annual operating budget shall be prepared for the Association and sent to the Association Board of Directors for approval. Manager shall use its best efforts to manage the Property within the approved budget.

14. ENFORCEMENT OF DECLARATION AND BYLAWS Manager shall reasonably enforce the Association's Declaration and Bylaws. Enforcement action to be taken by Manager against an owner shall be at the directive and on behalf of the Association's Board of Directors.

15. MEETINGS Manager will attend Association meetings as set forth herein. No single meeting shall exceed 2 hours. Time exceeding 2 hours per meeting will be billed to the Association at the rate of \$95.00 per hour.

16. COSTS TO BE REIMBURSED OR PAID TO MANAGER During the term of this Agreement, Manager may reimburse or pay itself (or another third party) out of the Association's operating account for bank charges, owner assessment coupons, copies, postage, storage, and office supplies attributable directly to the Association. Manager shall prepare and produce vendor 1099s at Manager's prevailing rate for such service. Special or extraordinary projects or tasks, depositions, and/or legal consultations involving the Manager may be billed to the Association at an hourly rate of \$95 per hour. Legacy records of the Association shall be scanned by Manager at Manager's prevailing rate for such service or shall be physically stored at a cost of \$3 per standard box. If requested by the Association, Manager shall provide someone to take minutes at meetings at Manager's prevailing rate. The Association shall not pay any of Manager's general overhead. Manager shall retain all returned check charges to compensate Manager for the time and expense involved with collecting returned checks. If Manager is asked to provide additional project management services in the repair, replacement, or rehabilitation of improvements, Manager shall be paid a fee equal to 10% of the cost of same. If the Association requires employees, Manager (or a third party of Manager's selection) shall be the legal employer of such employees and shall provide the

administration and supervision of such employees, shall pay all payroll taxes and worker's compensation insurance, shall prepare all federal and state tax returns, and shall be entitled to reimbursement of the total cost of payroll plus an add-on factor not to exceed 15% of the total cost of payroll from the Association. The total cost of payroll shall be the employee gross pay, matching federal and state employer taxes, workers compensation insurance, health insurance premiums (if applicable), and any other benefit, bonus, or compensation given to the employee.

17. ADDITIONAL SERVICES MANAGER IS WILLING TO PROVIDE If requested by the Association, Manager will:

- a. Negotiate and settle insurance claims on behalf of the Association in which case Manager will be paid a fee equal to 5% of any such settlement, however, this is applicable only to insurance claims in excess of \$10,000.
- b. Assist in obtaining/renewing loans for the Association in which event Manager will be paid a fee equal to 1% of the loan amount, however, this only applies to loans in excess of \$10,000.
- c. Provide liaison services between individual condominium/townhome owners in the event of a casualty loss that must be settled between the individual owners but which invariably requires the Association's intercession. This service shall be at Manager's prevailing hourly rate which rate as of 2021 is \$95 per hour.

18. ASSOCIATION'S COVENANT TO NOT HIRE MANAGER'S PERSONNEL The Association covenants and agrees not to solicit or hire, directly or indirectly, the personnel of Manager for the purpose of providing management, maintenance, or supervisory services to the Association prior to or subsequent to the termination of this Agreement for a period of two (2) years. This covenant includes the event of the Managers' personnel moving to a new company and/or creating a new company, then the Association hiring that new company or newly created company. In the event this provision is breached, the Association shall pay Manager a fee equal to 50% of the annual salary of the individual in question.

19. ASSOCIATION'S RIGHT TO AUDIT The Association shall have the right to conduct an audit, at the Association's expense, of the Association's books and records maintained by Manager. Should errors in record keeping be discovered by the Association, Manager shall correct such errors within a reasonable time after discovery. Manager shall inform Association in writing, of the action taken to correct such errors.

20. FINAL ACCOUNTING Upon termination of this Agreement for any reason whatsoever, Manager shall deliver to Association within thirty (30) days after termination, the following with respect to the Property:

- A final accounting, reflecting income, expenses and ending cash balance,
- The balance of any money of Association under Manager's control, and
- Unpaid bills for which the Association is responsible.

If, subsequent to termination, operating funds are not sufficient to pay Association obligations, the Association will be directly responsible for payment of same and will make payment within five (5) days from date of notice of such insufficiency.

21. COMPENSATION Manager shall pay itself the Manager Compensation, reimbursements, and other costs described in this Agreement from the Association's operating account. Manager shall bill members of the Association directly for Resale Certificates (Prevailing Rate, subject to change, is \$375), Transfer Fees (Prevailing Rate, subject to change, is \$275), Refinance Fee (Prevailing Rate, subject to change, is \$125) and/or Mortgagee Questionnaires (Variable); however, if such payments are erroneously paid to the Association, then Manager may deposit such funds into the operating account of the Association and may pay itself from the operating account of the Association.

22. COMPLIANCE WITH BUILDING REGULATIONS Manager assumes no responsibility for compliance of any building on the Property or any equipment situated thereon with the requirements of any statute, ordinance, law or regulation of any governmental body or of any public authority or official thereof having jurisdiction, except to notify the Association promptly, or forward to the Association, any complaints, warnings, notices or summonses received by it relating to such matters. The Association represents that to the best of its knowledge that the Property and equipment situated thereon comply with all such requirements. The Association authorizes Manager to disclose ownership of the Property to any such officials. The Association agrees to indemnify and hold harmless the Manager, its representatives, servants and employees, of and from all loss, cost, expense and liability which may be imposed on them or any of them by reason of any present or future violation or alleged violation of such laws, ordinances, statutes or regulations.

23. CONSTRUCTION/CONVERSION PROVISION In the event the property that is the subject of the Association is under construction, or in the process of being converted into a condominium form of ownership, the Association will tender two month's management fee to Manager to bind this Agreement. This Agreement may be terminated at any time by the property owner prior to the commencement of Association operations; however, the two month's management fee shall be non-refundable. In the event the Manager prepares an operating budget for the Property/Association and/or any certifications, such as a Condominium Information Statement, to be provided to any lender, a prospective buyer, or other party, then this Agreement may be terminated at any time, however, the termination fee shall be six month's management fee.

24. POOL, AMENITY CENTER, CONTROLLED ACCESS GATE, OTHER FACILITY In the event the Association opens a facility that involves property, plant, and equipment (i.e., a pool, amenity center, recreation center, etc.) or installs a controlled access gate, the property manager and other personnel of Manager are invariably involved on a substantial basis. Manager shall keep a detailed tally of additional time spent by the property manager and other personnel in any such opening process and shall bill the Association on an hourly basis at Manager's prevailing rate. With respect to administering controlled access gates on a continuing/routine basis, Manager may charge a recurring gate administration fee. In the event a controlled access gate becomes non-functional, Manager may charge a fee for time required to restore/repair the gate to full operation, inclusive of time required to assist third party contractors in restoring/repairing the gate. With respect to Manager distributing access devices, manager may charge its prevailing fee based on per device issued which prevailing rate as of 2021 is \$15.00 per device.

25. COMPLIANCE INSPECTIONS PRIOR TO SALE If the Association desires Manager to perform a visual deed restriction compliance inspection prior to the conveyance of a property in the Association from a current owner to a new purchaser, Manager will perform such inspection after the order for the resale certificate is placed by the title company. The fee for such inspection shall be at the Manager's prevailing rate, which rate is \$150 as of 2021.

26. NOTICES, ETC. All notices, demands, exhibits, consents and reports provided for in this Agreement shall be in writing and shall be given to the Association or Manager at the address set forth herein or such other address as they may from time to time specify.

27. MISCELLANEOUS PROVISIONS The Association consents and approvals may be verbal or may be in writing and may be given only by the Association or its duly authorized representative. Any and all amendments, additions or deletions to this Agreement shall be in writing. Manager represents and warrants that it is qualified and licensed, to the extent required by law, to manage real estate and perform all obligations assumed to Manager hereunder.

28. HOLD HARMLESS THE ASSOCIATION SHALL INDEMNIFY, DEFEND AND HOLD MANAGER HARMLESS FROM AND AGAINST ANY AND ALL DEMANDS, CLAIMS, LIABILITIES, CAUSES OF ACTION, COSTS AND EXPENSES, INCLUDING THE "FIRST DOLLAR" OF ATTORNEY'S FEES AND COURT COSTS, SUSTAINED OR INCURRED BY OR ASSERTED AGAINST MANAGER BY REASON OF ITS CONNECTION WITH THE PROPERTY OR THE ASSOCIATION, OR ARISING OUT OF THE ASSOCIATION'S BREACH OF DUTIES AND OBLIGATIONS REQUIRED BY THIS AGREEMENT. In this regard it is recognized that Manager will be an "Additional Insured" on the general liability insurance policy of the Association and that the Association's insurance policy will provide coverage for both the Association and Manager.

29. FORCE MAJEURE The obligations of the parties are subject to force majeure, and neither party shall be in default under this agreement if failure or delay in performance is caused by strike, labor problems, power fluctuations, surges or failures, acts of God, fire, flood, adverse weather conditions, ordinances, laws, regulations, restrictions, condemnation or exercise of rights of eminent domain, war or civil disorder, or any other cause beyond the reasonable control of either party.

30. COMPLETE AGREEMENT This Agreement, together with all Exhibits attached hereto and made part thereof, supersedes and takes the place of any and all previous agreements entered into between the parties hereto.

EXHIBIT A
Incidental Costs for 2021 (prevailing rates, subject to change)

Copies:

Incidental copies *applies only to work-product copies* \$.15/pg.
Envelopes \$.25/ea.

Handling Fee:

Applies to all mailed items \$.50
Payables \$1.00

Postage:

USPS rates at cost

Board Meeting Minutes:

If requested, billed at \$35 per hour Per Meeting Average \$105.00

Additional Services:

Ex: Research for lawsuits, additional mtg time \$95.00/hr.

Amenity Access Device Processing:

Applies to all devices distributed from Goodwin office \$15/device
Bulk distributions are billed at a lower, negotiated rate at the time of distribution. Gate troubleshooting billed at \$45/hour.

Vendor 1099 Processing:

\$50-\$150 per year

Federal Tax Return

Form 1120-H (form used by most single-family & condo HOA's) \$300

Franchise Tax Return:

\$150

Public Information Report:


Applies to stand-alone PIR filings only \$50

Technology Fee:

(Smartwebs violation, TownSq, TownSq ACC, storage, website hosting, data management, etc). \$20 per month

Bankruptcy Proof of Claim Filing:

\$125

MANAGER  INITIALS

ASSOCIATION  INITIALS


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