

MANAGEMENT
AGREEMENT

FOR

OLD OAKS
CONDOMINIUMS
OWNERS
ASSOCIATION, INC.

ASSOCIATION MANAGEMENT AGREEMENT

This agreement, is made and entered into this ___ day of _____, by and between **BVP Management, Inc.** wherein called "Management Agent" and Old Oaks Condominiums Owners Association, Inc. herein called "Association" who by the execution hereof, agree as follows:

Witnesses That:

I. Appointment of Managing Agent

The Association hereby engages the services of Management Agent as the exclusive Association manager of the property (hereinafter called "the Property") known as: Old Oaks Condominium Owners Association located in College Station, Texas, and consisting of the following specific improvements:

Number of Units or Homes

32 Unit Condominiums

Common Areas

Refer to Old Oaks Condominium Owners Association CC & R's

Other Facilities: Refer to common recreational facilities.

The Management Agent does hereby accept such engagement.

II. Term

The commencement date of the Agreement shall be the 11 day of October 2012 which date shall constitute the time that the Management Agent will be required to begin performance of its duties hereunder. Unless sooner terminated or renewed as elsewhere herein provided, this Agreement shall be in effect until October 10, 2013.

III. Personnel

The Association agrees not to enter into any employment negotiations with, or hire any of the Manager's employees during the term of this Agreement or for a period of one (1) year after the expiration of this Agreement without the prior written consent of Manager.

IV. Services of 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 Board/Resident/Management Agent relationship.

B. Board Meetings

The Management Agent shall provide administrative support services to the Association's Board of Directors to include notifying the Directors of Board meetings and circulating the Minutes of the preceding meetings as prepared by the Secretary. The Management Agent shall assist in outlining and amending rules and regulations, and will attend up to one Board meeting per quarter.

C. General Meeting

The Management Agent shall organize the annual meeting of the Association, including the preparation and delivery of the meeting notice, the proposed budget and the preparation of proxy forms. The Management Agent will prepare the agenda for this meeting and will assist in overseeing the election of any new directors.

D. Assist with Communications

The Management Agent shall assist the Association with their newsletters, special notices, questionnaires, etc. The Management Agent shall assist in resolving individual owner's problems as they pertain to the Association, common elements and governing rules and regulations.

E. Maintain Association Files

The Management Agent shall collect, organize and maintain complete files for the Association of all legal documents, owners lists, correspondence, house rules, site plans, blue prints and specifications, etc.

F. Emergency Calls

The Management Agent shall establish an emergency call system for the Association. The Management Agent shall implement and inform residents of the 24-hour, 7 day-a-week emergency call service.

G. Property Inspection

The Management Agent shall make weekly inspections of the Association's property and make recommendations concerning the property.

H. Contractual and Physical Administration

The Management Agent will supervise the maintenance of the common areas, improvements, and equipment of the Association.

1. **Service Contracting.** The Management Agent shall solicit, analyze and compare bids, and negotiate contracts for execution by the Board for the services of contractors for any requisite grounds maintenance, landscaping, lighting, security services, audit and legal services and all other services required by the Association.
2. **Monitor Contractors' Performances.** The Management Agent shall review the service contractor's performances and recommend changes based upon experience to provide greater efficiency and lower maintenance effort or cost.

I. Financial Services

The Management Agent will provide financial management services to the Association, including an effective accounting/financial system.

1. **Annual Budget** - The Management Agent shall prepare an annual cash flow budget for the Association, detailed to reflect expected operations for each month during the twelve-month period. The budget will be established to illustrate expected, recurring receipts and disbursement. It will also be used for comparison of actual monthly income with expenditures. The Management Agent shall analyze and compare operating receipts and disbursements against the Board-approved budgets (cash-flow budgets). Where applicable, suggested corrective recommendations will be made.

2. **Financial Statements** - The Management Agent shall prepare monthly financial statements to be delivered to the Board Treasurer on a schedule as set forth in the contract which will include:
 - A. disbursements during previous month;
 - B. amount collected during the previous month;
 - C. funds withheld as reserved to cover later expenditures for which current income may be insufficient;
 - D. compensation retained by Management Agent;
 - E. bank reconciliation;
 - F. cash receipts and disbursements statement;
 - G. delinquency reports.
 - H. will be received by the 15th of the month, delivered to the Board Treasurer.
3. **Year-End Statements** - The Management Agent shall prepare a Year-End Statement of the operations for the Association. The Management Agent shall assist the CPA, selected by the Board, to perform an audit, prepare forms, pay taxes, and to file local, state and federal reports as required.
4. **Collect Assessments** - The Management Agent shall collect all assessments quarterly. All assessment payments shall be made payable to the Association and shall be deposited directly into the Association's account. The Management Agent will keep accounting records to reflect the status of each owner's assessment payments and other account activity. The Management Agent shall mail delinquency notices to any owner in arrears and exert reasonable efforts to collect delinquent accounts including reminder notices, delinquency letters, and/or telephone calls. Any assessment fees due and not received by the due date per the Covenants will be assessed a late fee and a notice mailed to the homeowner. In the event of failure to collect delinquent accounts, and at the discretion of the Board, the Management Agent shall pursue payment through the Association's attorney (at the expense of the Association).

J. Insurance

- a. Certificate of Insurance (**Attached**)

V. EXCLUDED SERVICES

The following services **SHALL NOT** be included as part of the Management Agent's services which it shall perform pursuant to the terms of this Agreement.

- A. Dispute Resolutions** Extended time related to disputes which would involve a significant amount of administrative time would be negotiated prior to incurring the cost. Areas where this time may occur would include court appearance, depositions, warranty disputes, and insurance claims' disputes.
- B. Interior Work** The Managing Agent will not perform any work inside individual units, unless clearly agreed to be agent's responsibility in the management contract.
- C. Extra Meetings** Attendance at additional Board meetings other than those described in Section IV (B) and (C).
- D. 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 the Management Agent pursuant to the terms of this Agreement. Such services which shall be paid by the Association shall include, but not be limited to, payment for any annual certified audits required pursuant to the terms of this Agreement, any attorneys' fees required to be paid for legal activities required to be taken in order to collect any of the Association's assessments or to bring suit on behalf or defend any suit filed against the Association, unless such litigation is the result of a wrongful act on the part of the Management Agent.
- E. Annual Certified Audit.** Association shall conduct, at its expense, an annual certified audit of the financial statement prepared by the Management Agent and of the system of internal control utilized by the Management Agent in maintaining the Association's records. (This provision may be waived upon the consent of the Association.)

VI. COMPENSATION

The total compensation to which Management Agent shall be entitled during the term of this Agreement shall consist of fees for Recurring Routine Services, (items 41-9 on the itemized charges chart) paid monthly; fees for Periodic Routine Services, paid on a per-item basis; and fees for Non-Routine Services, to be negotiated prior to performance.

Recurring Routine Services. Management Agent shall be compensated according to the following schedule, the current fees being due and payable from the current assessments collected each month. Such compensation represents the overhead expenses of Management Agent, including salaries of employees, general and administrative expenses, and travel expenses of officers and employees incurred under this Agreement, and covers fees for basic services, including financial management, general administration and property management.

Routine Services.

- 1) Monthly Investment = **\$400/per month**
- 2) Sixty (60) days prior to each anniversary of this Agreement, Management Agent's base compensation may be renegotiated and agreed to by both parties. If not renegotiated, the base compensation shall be at the same rate.
- 3) **\$500 set up fee** to transfer all owners information and develop and maintain a website.

VII. DISCLOSURE OF FINANCIAL INTERESTS

The Management Agent hereby discloses to the Association that it has the following financial interests or ownership interests in companies with which the Association presently does business or which the Management Agent does business and which will provide the Association with certain goods and/or services: *None*

In the event that Management Agent establishes any financial or ownership interest as these terms are described herein at a future date, such interests shall be disclosed immediately to the Association.

Any contract or other agreement between Management Agent and any entity in which the Management Agent has a financial interest, or any work undertaken or service provided by the Management Agent not included within the basic services specified herein, shall be upon terms no less favorable to the Association than could be obtained from entities in which Management Agent has no financial interest, and the price at which any services are rendered or materials furnished by Management Agent or its affiliates shall not exceed the price charged by unaffiliated entities rendering comparable service or furnishing comparable materials.

VIII. AUTHORIZED AGENTS OF ASSOCIATION

The Association hereby designates the following individuals who shall be authorized to deal with the Management Agent on any matter pertaining to the obligations of either party to this Agreement:

Karen Quattlebaum and Anna Sprouse

IX. RENEWAL

Unless otherwise terminated in accordance with paragraph X, herein, this Agreement shall automatically renew for one-year periods, unless either party gives notice to

the other party of its election to terminate or to renegotiate the terms of the contract at least thirty (30) days before the termination of this Agreement.

X. TERMINATION

This agreement may be canceled in writing with or without cause by either party before the termination date specified in paragraph II herein or not less than thirty (30) days' notice to the other party.

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

A. Turnover of records. The following records shall be provided to the Association by the Management Agent within thirty (30) days of the date of the termination of this Agreement:

1. Copies of all tax returns of the Association retained by the Management Agent;
2. All bank statements, canceled check 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 limitation, general ledger, general journal, accounts payable information (including copies of unpaid invoices), monthly assessment records, corporate minute book, unit owner roster and contracts and other documents to which the Association is a party.

B. Certified Audit. Upon the termination of this Agreement, the Association, at its expense, may engage the services of a duly-licensed Certified Public Accountant to render a certified audit of the financial statement of the Association for the current financial period ending on the termination date and commencing at the beginning of the latest fiscal year of the Association or six (6) months from the termination date, whichever period shall be longer.

C. 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 the 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.

D. Bank Accounts. Upon termination of this Agreement, the Management Agent shall terminate all signature authority it may have in any bank account of the Association.

E. Dispute Procedure. Any dispute arising between Management Agent and the Association for the terms of this Agreement shall be submitted to binding arbitration, according to the Rules of the American Arbitration Association, unless this provision is waived by the Association, in which event any litigation shall be commenced in the appropriate court.

F. Property Rights and Lien Rights of the Parties. The Management Agent shall not have any lien rights whatsoever upon termination of this Agreement.

XI. NOTICE

Notice which either party desires to give or is required. to give to the other under 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 Mail, addressed to the party for whom it is intended as follows:

FOR THE ASSOCIATION:

**Old Oaks COA
3920 Old Oaks #20
Bryan, TX 77802
Attn: Board Member**

FOR THE MANAGEMENT AGENT:

**BVP Management, Inc.
903 South Texas Ave.
College Station, Texas 77840**

XII. GOVERNING LAW

This Agreement shall be governed by the laws of the State of Texas.

XIII. SUCCESSORS AND ASSIGNMENT

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, personal representatives, successors and assigns of the Management Agent. Notwithstanding the preceding sentence, the Association or the Management Agent shall not assign its rights under this Agreement without the prior written consent of the other party.

XIV. INDEMNIFICATION

Management Agent shall not be liable for any loss or damage not caused by its own negligence or its breach of this agreement. The Association will indemnify Management Agent against and hold it harmless from (a) any liability, damage, costs, and expenses including attorney fees, sustained or incurred from any injury to any person or property in or in connection with the Property, from any cause whatsoever, unless such injury is caused by Management Agent's own negligence or its breach of this agreement and (b) any liability, penalties, damages, costs, and expenses, statutory or otherwise, including attorney fees, resulting from any such acts performed by Management Agent pursuant to the written instructions of the Association; provided, in each of the foregoing instances, the Management Agent promptly advises the President of the Association of its receipt of information concerning any such injury and the amount of any such liability, damages, penalty, cost and expense. The Association shall carry at its own expense public liability, director's and officer's liability, and workers compensation insurance naming the Association and Management agent, in form, substance and amounts reasonable and satisfactory to the Management Agent, and furnish Management Agent with a certificate evidencing the existence of such insurance. Management agent shall name the Association as additional insured on its public liability and workers compensation insurance.

XV. INTEGRATION CLAUSE

This Agreement constitutes the full understanding of the parties thereto, 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 a writing signed by both parties.

IN WITNESS WHEREOF, this Agreement has been executed as of date set in forth above. **BVP Management, Inc.**

BVP Management, Inc.

By: _____ Date: _____

Its: _____ Date: _____
(Managing Agent)

Old Oaks Condominium Owner Association, Inc.

By: _____ Date: _____

Its: _____ Date: _____
(Title)

