

# **MANAGEMENT AGREEMENT**

**June 1, 2009 to December 31, 2010.**

## **MANAGEMENT AGREEMENT**

This Agreement, made effective as of the 21th day of May, 2009, by and between The Beverly Oaks Homeowners Association, Inc (Irving, TX 75061), hereinafter called "Association" and Precision Property, Inc. (2927 Winterberry Dr., Carrollton Texas 75007), hereinafter called "Managing Agent".

As used in this Agreement:

1. The term "Board" shall mean the elected officers of the Association.
2. The term "Assessments" shall mean the fees established by the Association to which the Owners are obligated to pay as their share of the common expenses.
3. The term "RFP" or "Request for Proposal" shall mean a detailed specification of services for the purposes of securing comparable bids and quotes.

In consideration of the terms, conditions, and covenants hereinafter set forth, the Association and the Managing Agent mutually agree as follows:

### ***APPOINTMENT***

The Association hereby appoints Managing Agent and Managing Agent hereby accepts the appointment as exclusive Managing Agent of the Association.

### ***TERM***

The term of this Agreement shall be from June 1, 2009 to December 31, 2010. This Agreement may be terminated during the term as provided below:

1. This Agreement may be terminated by the Board on behalf of the Association, or by the Managing Agent upon thirty (30) days' written notice, with or without cause.
2. In the event a petition in bankruptcy is filed by or against the Managing Agent, or in the event that it shall make an assignment for the benefit of creditors or take advantage of any insolvency act, either party hereto may terminate this Agreement without notice to the other.

### ***REMUNERATION AND EXPENSE REIMBURSEMENT***

The Managing Agent shall be compensated in accordance with the schedule attached hereto. (Exhibit "A")

Everything done by the Management Agent under the provisions of this agreement shall be done as Agent of the Association and all obligations or expenses incurred shall be for the account, on behalf, and at the expense of the Association, except that the Association shall not be obligated to pay the overhead expenses of the Managing Agent's office.

The Managing Agent shall be reimbursed for all reasonable out of pocket expenses advanced on behalf of the Association with any amount over \$250.00 requiring prior approval of 2 board members. Out-of-pocket expenses includes, but not limited to advances to contractors, permits, municipal fees, postage, and other small expenses that are more conveniently handled in this manner. Travel and meal reimbursement is specifically excluded.

Notwithstanding the above, the Managing Agent shall not be obligated to make any advance to or on behalf of the account of the Association, nor shall the Managing Agent be obligated to incur any liability or obligation for the account of the Association without assurance that the necessary funds for the discharge thereof will be provided.

Any disbursements to be made by the Managing Agent hereunder shall be made out of such sums as are available in the account of the Association or as may be provided by the Association.

Any fee of the Managing Agent invoiced and not paid within twenty (20) business days after the date of the invoice shall bear interest at the a rate of **12% per annum**.

### ***MANAGING AGENT'S DUTIES AND LIMITATION OF AUTHORITY***

It is understood and agreed that the authority and duties conferred upon Managing Agent hereunder are herein defined.

Managing Agent shall render services and perform duties as an Agent of the Association and under the supervision of the Board and in accordance with the provisions of the Association's Declaration and Bylaws as follows:

#### 1. General Services

- (a) Invoice and collect the Assessments and Special Assessments of the Association.
- (b) Coordinate the timely completion of the legal obligations of the Association as required by Federal, State and local statutes to include, but not limited to tax returns, registrations, licenses and permits.
- (c) Maintain the financial and operating records of the Association in accordance with accepted accounting and evidentiary principles, and as per the requirements set forth in the schedule attached hereto.
- (d) Act as liaison between owners and the Association. Service requests shall be received, logged in systematic fashion and discharged promptly and reported in an itemized fashion to the Board. Requests or complaints which are deemed extraordinary or controversial by the Managing Agent shall be brought before the Board for consultation and/or decision.
- (e) Maintain common elements and property "under the care" of the Association in accordance with standards set by the Board.
- (f) Administer the programs of the Association that have been designed to maintain the overall architectural standards of the community.
- (g) Negotiate and supervise contracts for services for the Association including but not limited to lawn maintenance, painting, construction, utilities, insurance, tax preparation and other contract services. Act as liaison with contractors working on behalf of the Association.
- (h) Conduct physical inspections of the property at least once a week and report in a systematic format to the board.
- (i) Purchase, manage, and provide an inventory of the Association working assets including records, and supplies.
- (j) Oversee emergency planning and emergency response.

- (k) The Managing Agent shall allow any owner access to all Association records in the Managing Agent's offices during normal business hours except for those owners that reside more than 50 miles from the property. In these cases, owners may pay to have copies made by a reputable copy delivery service company such as those serving the legal community.

## 2. Landscaping Maintenance

Managing Agent, at the direction of the board of directors, shall obtain three bids annually, no later than **September 30**, for landscaping maintenance using an RFP. These bids will be used in formulating the annual budget for the upcoming year.

The RFP shall specify "pay per service" for each of the following services (mowing/edging/emptying of waste cans/cleanup, shrub trimming, irrigation maintenance, scalping, overseeding, sweeping streets and alleys (when mowing isn't required) and seasonal groundcover. The RFP will specify frequencies of each service and the type equipment to be used (e.g., maximum width of lawnmower blade), and the amount material used (e.g., number of flats to be planted during each seasonal cycle). Each contract will have an optional provision for a winter lawn (overseeding). The RFP will state the Associations right to demand proof of purchase on resale items on any contested invoice as a condition of payment. The RFP will specify insurance requirements, and obtain background information on the company including the number of years in business, number of employees, structure of the company (e.g. are employees used or subcontractors), and references.

Managing Agent shall monitor the performance of the contractor in conjunction with the Board member overseeing this project. In addition to routine worksite inspections to be documented to the board, the Managing Agent will require that all invoices specify the date of service, the service performed, and the amount of materials used.

## 3. Landscaping Fertilization, Weed And Insect Control

Managing Agent, at the direction of the board of directors, shall obtain three bids annually, no later than **September 30**, for landscaping fertilization, weed and insect control using an RFP. These bids will be used in formulating the annual budget for the upcoming year.

The RFP shall specify the tasks, frequencies, amount, and method of application for lawn, shrub, tree and bedding fertilization, weeding and insect control. The RFP will state the Associations right to demand proof of purchase on resale items on any contested invoice as a condition of payment. The RFP will specify insurance requirements and obtain background information on the company including the number of years in business, number of employees, structure of the company (e.g. are employees used or subcontractors), and references.

Managing Agent shall monitor the performance of the contractor in conjunction with the Board member overseeing this project. In addition to routine worksite inspections to be documented to the board in a systematic format, the Managing Agent will require that all invoices specify the date of service, the service performed, and the amount of materials used.

## 4. Painting, Trim And Siding Maintenance

Managing Agent, at the direction of the board of directors, shall obtain three bids annually, no later than **March 31**, for painting, trim, and siding maintenance using an RFP.

The RFP shall specify the address, the colors, paint manufacturer, and volume of paint purchased/used, type of siding and trim material used (e.g. type of wood, grade) as well itemization for pairs required for each freestanding, duplex, triplex, and or fourplex unit to be serviced. The RFP will state the Associations right to demand proof of purchase on resale items on any contested invoice as a condition of payment. The RFP will specify insurance requirements and obtain background information on the company including the number of years in business, number of employees, structure of the company (e.g. are employees used or subcontractors), and references.

Managing Agent shall monitor the performance of the contractor in conjunction with the Board member overseeing this project. In addition to routine worksite inspections to be documented to the board in a systematic format, the Managing Agent will require that all invoices specify the date of service, the service performed, and the amount of materials used.

Managing Agent shall update and propose a 10-year painting schedule annually for approval by the board.

Managing Agent shall update and propose a 10-year painting schedule annually for approval by the board, no later than **March 31**.

#### 5. Tree Maintenance (Common Property and Easement Areas Only)

- (a) Managing Agent shall consult every three years with a certified arborist, plant pathologist, degreed forester, or degreed horticulturalist, to determine and report by **March 31**, which, if any, tree maintenance should be conducted in the upcoming 3 years.
- (b) Managing Agent, at the direction of the board of directors, shall obtain three assessments/bids (annually), no later than **September 30**, for tree maintenance and emergency service using an RFP. This annual review will evaluate the need for growth management, canopy thinning, treatment of disease and aging, and nutrient issues. The RFP will specify insurance requirements, and emergency service requirements and obtain background information on the company including the number of years in business, the number of certified arborists, plant pathologist, degreed forester's, degreed horticulturalists, certified pesticide applicator's on staff, number of employees, structure of the company (e.g. are employees used or subcontractors), and references.

Managing Agent shall monitor the performance of the contractor in conjunction with the Board member overseeing this project. In addition to routine worksite inspections to be documented to the board in a systematic format, the Managing Agent will require that all invoices specify the date of service, the service performed, and the amount of materials used.

#### 6. Structural Aging Preventative Maintenance Analysis

- (a) Managing Agent, at the direction of the board of directors, and in conjunction with tradesmen specialized in the field, shall issue a report each year no later than **September 30** on the state of the community infrastructure and outlying repairs that should be undertaken in the upcoming three years for the maintenance of the capital components under control of the Association (concrete and brick walls, drainage, streets, electronic gates, treadles, signage). In successive years, beginning in 2009 the following will be assessed:
  - (1) traffic control devices, electrical and signage (2009, 2012),
  - (2) walls and fences (2010, 2013),
  - (3) streets and drainage (2011, 2014), shall be analyzed, and so on.

Each assessment will include recommendations for services in the upcoming 1-3 years.

- (b) Managing Agent, at the direction of the board of directors, shall obtain three bids (annually), no later than **September 30** for the structural maintenance of the capital components under control of the Association (concrete and brick walls, drainage, streets, electronic gates, treadles, signage) planned for that year. The RFP will specify insurance requirements and obtain background information on the company including the number of years in business, number of employees, structure of the company (e.g. are employees used or subcontractors), and references.

Managing Agent shall monitor the performance of the contractor in conjunction with the Board member overseeing this project. In addition to routine worksite inspections to be documented to the board in a systematic format, the Managing Agent will require that all invoices specify the date of service, the service performed, and the amount of materials used.

#### 7. Architectural Control, Safety, And Code Compliance

Managing Agent shall inspect the common grounds and the portion of the individual units visible from the street monthly and provide an architectural control, safety, and known code compliance report. This report shall identify any noticeable and known architectural or code compliance or any significant safety hazards, any significant deferred maintenance, and any architectural code violations.

This report should be revised each month providing the status of board decisions, homeowner actions, and any subsidies or variances granted. The report should also have a brief narrative that identifies any items of significant risk to the community or any homeowner.

#### 8. Website And Association E-Mail

- (a) Managing Agent, at the direction of the board of directors pay all domain fees in a timely fashion to maintain the [www.beverly-oaks.org](http://www.beverly-oaks.org) domain.
- (b) The Managing Agent, at the direction of the board of directors, shall obtain assessments/bids (as per request of the Board) for website, and email management using an RFP. The RFP will specify class of services to be bid (e.g., creative development, routine updating, troubleshooting, etc.), for flat fee, set minimums not requiring specific bids, and obtain background information on the company including the number of years in business, number of employees, structure of the company (e.g. are employees used or subcontractors), and references.

Managing Director shall monitor the performance of the contractor in conjunction with the Board member overseeing this project. In addition to work inspections/approval to be documented by the board in a systematic format prior to publication the managing director will require that all invoices specify in terms of the date of service, the service performed, and the time involved used. When subcontractors are used, a third party invoice for the work shall be attached to the contractor's invoice.

- (c) The Managing Agent will submit updates to the website including updating the calendar, posting board and association meeting minutes, and newsletters, as they become available. The Annual meeting agendas, proxies, proposed budgets, past expenditures, and all items that will be voted on in the annual or general meeting will be post 30 days prior to the meeting.

9. Fiscal and Accounting Services

Prepare a Proposed Annual Budget on or before **November 1**, (at least sixty (60) days prior to the end of the fiscal accounting year) showing prior two years' actual, which will serve as the basis for monthly assessments for the ensuing year once adopted by the Board and approved by a vote of the owners.

Preparation and distribution of Annual Financial Reports to all Owners, upon request by the Board.

Monthly preparation and distribution of narrative financial statements to the Board.

Preparation of correspondence and reports regarding finances as requested by the Board of Directors.

Assist in performance of tax filings, audits in consonance with auditors appointed by the Board of Directors.

Prepare checks at least once monthly and on a timely basis and disburse.

Prepare and maintain accurate payroll time sheets for all personnel.

Employees of Managing Agent, approved by the Board to have authority to draft checks, issue receipts for cash or handle funds belonging to the Association, shall be bonded.

Managing Agent is required to assist the Association in matters relating to protection of the project against risks and are enumerated as follows:

- (a) Recommend insurance coverage's as are required to protect the Project
- (b) Prepare insurance specifications for bid proposals, and secure bids under direction of the Board.
- (c) With the approval of the Board, place appropriate insurance coverage for fire, general liability; fidelity bonds; statutory and other approved forms of insurance coverage's.
- (d) Assist in processing insurance claims against the property.
- (e) Establish and maintain current insurance ticklers for timely renewals of insurance policies, related to common elements.

10. Meetings of the Association

Agent will be required to attend one meeting annually of the Association and one meeting monthly of the Board, at a time and place to be designated by the Board. Should additional meetings require Agent attendance, Agent will attend at no additional cost.

Arrange for and schedule places, dates, and times for the conduct of meetings called by the Board.

Managing Agent shall prepare and mail notices, proxies, ballots, and agendas in accordance with the requirements and provisions of the Declaration and the By-Laws of the Association- Such notices shall be at the Association's expense. No later than **December 15** of each year, send via certified mail and regular mail and post to the association website the annual meeting announcements and proposed budgets and prior two years of annual expenses to all owners, and provide both ballots and proxies.

Prepare and present for approval reports such as financial; contractual; operational; and others of a regular nature as required by the Association.

Duplication and mailing of notices of meetings, agendas, ballots, proxies, minutes, officer's reports, etc., shall be at the expense of the Association.

## 11. Records And Correspondence

Managing Agent shall maintain the financial and operating records of the Association in accordance with accepted accounting and evidentiary principles, and as per the requirements set forth herein

- (a) Financial Files by Month: Managing Agent shall maintain all financial records of the Association, including balance sheet, YTD expenditures, all approved payment with receipts attached and filed and retrievable on a month by month basis.
- (b) Unit files by Address: Managing Agent shall maintain a file folder for each address to contain all communications relating to that unit including but not limited to service requests, correspondence, copies of and disbursements made to the owner, architectural control variances, change of address requests, title company communications, etc. Specifically excluded from this file are routine invoices, newsletters, meeting announcements, etc. These items will be kept in a separate file with 1 example per mailing.
- (c) Contract Files: Managing Agent shall maintain a file of current and expired contracts including but not limited to the Managing Agents contract, landscapers, insurance, towing, utilities contracts, etc.
- (d) Tax/Audit: Managing Agent shall maintain a file all Federal state and local (property) taxes and information requirements (e.g., franchise tax).
- (e) Legal File: Managing Agent shall maintain of all deeds, declarations, bylaws, covenants and restrictions, and amendments.
- (f) Project Files: Managing Agent shall maintain a file for all project of the association to including but not limited to insurance, landscaping, painting, traffic control, website, emergency planning, tree maintenance, roadway maintenance, wall maintenance, garage sales/block parties, managing agents reports, budgeting and capital expense planning. Each file will contain all RFPs, bids, correspondence, and other relevant documents.
- (g) Managing Agent shall maintain complete files for all correspondence.
- (h) Managing Agent shall duplicate and mail to all owners, periodic newsletters covering specific topics of interest to owners of the project at the expense of the Association.
- (i) Special mailings of newsletters requested by the Board of Directors shall be prepared, duplicated and mailed at the expense of the Association.

### ***UNDISCLOSED FEES***

Managing Agent agrees not to collect or charge any undisclosed fees, rebates, or discounts; and in the event that any shall be collected by Management Agent, such fee becomes the property of the Association and should be credited to the Associations' account.

### ***FORMS, REPORTS, AND RETURNS REQUIRED BY LAW***

Managing Agent shall prepare for execution and filing all forms, reports, and returns required by law in connection with unemployment insurance, workmen's compensation, temporary disability insurance benefits,

social security, and other similar requirements not in effect or hereafter imposed, and also requirements relating to the employment of personnel. Managing agent will also assist with filing the Federal Income Tax Return by providing the information needed to prepare the report.

The Board recognizes it's obligation to file federal income and franchise tax returns on or before April 12 including:

- (a) Federal Tax Forms 1099 prepared and mailed to all contractors by January 30;
- (b) Federal Tax Forms 1096 prepared and mailed to IRS listing all 1099's mailed by January 30;
- (c) Federal Tax Form 1020 A The association has a 528 classification The association files a 1020A (instead of a 1020 H) because this allows the association to carry losses forward to offset against future years' gains. The association has the option to re-elect this status every year;
- (d) Franchise Tax. The Association is franchise tax exempt and required to file notice every 4 years (2003, 2007, 2011, 2015);

### ***BANK ACCOUNTS***

Managing Agent shall set up and manage the accounts of the Association in institutions whose deposits are insured by the Federal Deposit Insurance Corporation and will make allocations between accounts no less than quarterly.

1. An Operating Account will be maintained for the deposit of the receivables of the Association and to draw thereon payments to be made to discharge any liabilities or obligations of the Association. Managing Agent will validate all invoices, assign account codes, prepare checks and forward to the Treasurer (or in their absence, the President, and or in their absence the Secretary) for signature and mailing. Treasurer, President and Secretary shall have signature authority on this account. Managing Agent will not have signature authority on this account.
2. A Capital and Reserve Accounts will be maintained and funded by quarterly allocations as per the Association budget. These accounts will be drawn thereon for payments as provided for in the Capital Budget and Emergency Planning. Managing Agent will validate all invoices, assign account codes, prepare checks and be responsible to secure the signature of (a) both the President and the Treasurer for any non emergency funding, or (b) the signature of the President or Treasurer or for emergency repair involving manifest danger to life and property, or immediately necessary for the preservation and safety of the project or for the safety of the occupants, or required to avoid the suspension of any necessary service to the project, the signature of any board member.

### ***COLLECTION OF ASSESSMENTS***

The Board shall determine the official date for commencement of assessment collections, and shall notify the Management Agent in writing of the established date.

Upon the establishment of the official commencement date, all owners of record; whether occupying units or not shall be responsible for the payment of established assessments.

The Association, hereby authorizes the Managing Agent to request demand, collect receive and receipt for any and all charges or assessments which may at any time be or become due to the Association.

Managing Agent may charge a reasonable fee for collection proceedings on delinquent accounts due the Association. Such fee will be an expense of the unit owner in arrears and is not chargeable to the Association.

***REVISION OF CONTRACT***

This contract shall be reviewed annually and adjusted on the basis of negotiation between the parties, as stated in a written agreement.

***AGREEMENT TO BE CHANGED IN WRITING ONLY***

This Agreement shall constitute the entire Agreement between the Contracting Parties, and no variance or modification thereof shall be valid and enforceable, except by an agreement in writing.

***LIABILITY AND INSURANCE***

Managing Agent shall be responsible for its conduct, in accordance with the laws of this state and will keep in force sufficient liability insurance in an amount not less than:

General Liability

General Commercial Liability (per each occurrence):	\$1,000K
Damage to Rented premises (per each occurrence):	\$300K
Medical Expenses (per person):	\$10K
Personal and Adv Injury:	\$1,000K
General Aggregate:	\$2,000K
Products – Comp/Op Aggr	\$2,000K

Managing Agent will employ its own craftsmen, employees, and workers and will provide workmen’s compensation insurance as required by law:

Worker’s Compensation Insurance

General Liability:	\$100K
Disease:	\$100K
Disease – Policy Limit:	\$500K

Managing Agent will provide the Association with a Certificate of Insurance (See Exhibit”C”) stating that it has in force both public liability and workmen’s compensation coverage for the term or successive terms of this Agreement and will provide Renewal Certificates in a timely fashion.

Managing Agent shall not be liable, responsible, or accountable in damages or otherwise to the Association or its members for any action taken or failure to act within the scope of the authority conferred on Managing Agent in this agreement or by law, unless such action or omission was performed or omitted fraudulently or in bad faith or constitutes wanton and willful misconduct or gross negligence.

## **TERMINATION**

Upon termination of this agreement:

1. The Managing Agent shall deliver to Irving, at a location specified by the board, on the **final day of service**, project files in bankers boxes organized with the labeled pendeflex folders, three ring binders, and other filing system supplies that were used in the day-to-day operation of the Association.
2. The Managing Agent shall deliver to Irving, at a location specified by the board, on the **30 days** after final day of service, all the supplies, and the complete file and records of the Association in bankers boxes organized with the labeled pendeflex folders, three ring binders, and other filing system supplies that were used in the day-to-day operation of the Association.

## **NOTICE**

Any notice by either party to the other shall be in writing and shall be given, and be deemed to have been duly given to either party when delivered personally or mailed in a certified postpaid envelope addressed to the other party.

## **DISPUTE RESOLUTION**

The Agreement shall be construed in accordance with the laws of the State of Texas.

1. Any dispute or difference arising out of or in connection with this contract with a monetary value of **less than of \$5,000** shall be determined by in small claims court with all decisions to be final and unappealable.
2. Any dispute or difference arising out of or in connection with this contract with a monetary value in **excess of \$5,000** shall be determined by the appointment of a single arbitrator to be as agreed between the parties, or failing agreement within fourteen days, by Ross W. Stoddard III, 5215 North O'Connor Blvd., Ste. 1795, Irving, TX 75039 (972-869-2300). If Mr. Stoddard is not practicing or available, the arbitrator shall be appointed by the American Arbitration Association will be used (13455 Noel Rd Dallas, TX 75240 Map (972) 774-6900).

Each party shall be responsible for its share of the arbitration fees in accordance with the applicable Rules of Arbitration. In the event a party fails to proceed with arbitration, unsuccessfully challenges the arbitrator's award, or fails to comply with the arbitrator's award, the other party is entitled to costs of suit, including a reasonable attorney's fee for having to compel arbitration or defend or enforce the award.

## **VALIDITY**

In the event that any provision hereof is found to be void or unenforceable, all the remaining provisions of this Agreement shall be fully effective and shall not be affected by the void or unenforceable provision or provisions.

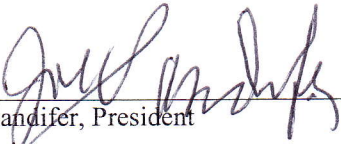
## **SUCCESSORS AND ASSIGNS**

This Agreement shall inure to the benefit of and constitute a binding obligation upon the Managing Agent, the Board and the Association, its heir administrators, successors, and assigns. Any assignment of this contract by the Managing Agent must be approved by the Association's Board.

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

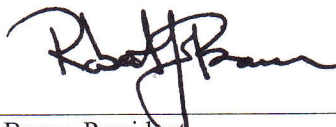
**MANAGING AGENT:**


PRECISION PROPERTY MANAGEMENT, INC.

By:   
Joe Sandifer, President

**ASSOCIATION:**

BEVERLY OAKS HOMEOWNERS ASSOCIATION

By:   
Robert J. Bauer, President

By:   
Brenda Madison, Secretary

## **EXHIBIT A**

### ***REMUNERATION AND EXPENSE REIMBURSEMENT***

The compensation which the Managing Agent shall be entitled to receive for all services performed under the attached agreement shall be:

Origination and Set-Up Fee:	\$-0- (one time fee due upon execution of contract).
Monthly Fee:	\$700.00 per month payable the last day of each month;
Xerox and Copying:	\$0.10 per page for notices, mailings, newsletters, etc.
Postage:	At cost for mailing of notice, newsletters, etc-
Collection Fees:	\$0.00 per collection notice. Such fee is an expense of the unit owner in arrears and is not chargeable to the Association.
Court Time:	<p>The Managing Agent shall be paid \$50.00 an hour for any time in court appearances requested by the Association, the Board, or it's attorneys.</p> <p>The Managing Agent shall be paid \$25.00 an hour for any research conducted in connection to litigation requested by the Association, Board, or it's attorneys other than the production of the records keep in the normal course of the business of the Association or a suit against the Managing Agent.</p>

## **EXHIBIT B**

Specific contract deadlines. If there is a conflict between this exhibit and the main document, the main document is superior.

Term of Agreement June 1, 2009 to December 31, 2010. Contract can be terminated by Board or Association with 30 days' notice.

Managing Agent shall conduct physical inspections of the property **at least once a week** and report in a systematic format to the board.

Managing Agent shall make **monthly** preparation and distribution of narrative financial statements to the Board.

Managing Agent shall prepare checks at least once **monthly** and on a timely basis and disburse.

Managing Agent shall be required to attend one meeting annually of the Association and one meeting **monthly** of the Board, at a time and place to be designated by the Board.

Managing Agent shall prepare a **monthly** narrative financial statement to board.

Managing Agent shall inspect the common grounds and the portion of the individual units visible from the street **monthly** and provide an architectural control, safety, and known code compliance report. This report should be revised each month providing the status of board decisions, homeowner actions, and any subsidies or variances granted.

No later than **December 15** of each year, Managing Agent shall send annual meeting announcements and proposed budgets and prior two years of annual expenses to all owners.

Managing Agent shall hold the annual meeting of the Association on or before **February 10** of each year.

Managing Agent shall file federal income and franchise tax returns on or before **March 15** including:

- (a) Federal Tax Forms 1099 prepared and mailed to all contractors by January 30;
- (b) Federal Tax Forms 1096 prepared and mailed to IRS listing all 1099's mailed by January 30;
- (c) Federal Tax Form 1020 A The association has a 528 classification The association files a 1020A (instead of a 1020 H) because this allows the association to carry losses forward to offset against future years' gains. The association has the option to re-elect this status every year;
- (d) Franchise Tax. The Association is franchise tax exempt and required to file notice every 4 years (2003, 2007, 2011, 2015);

By **March 31** of each year Managing Agent shall renew all expiring domains, and web hosting hourly services.

By **March 31** of each year Managing Agent shall obtain 3 bids for painting, trim and siding maintenance.

Managing Agent shall update and propose a 10-year painting schedule annually for approval by the board, no later than **March 31**.

Managing Agent shall consult every three years with a certified arborist, plant pathologist, degreed forester, or degreed horticulturalist, to determine and report by **March 31**, which, if any, tree maintenance should be conducted in the upcoming 3 years.

By **September 30** of each year Managing Agent shall obtain 3 assessments/bids for tree maintenance for common property and easement areas.

Managing Agent shall issue a report each year no later than **September 30** on the state of the community infrastructure and outlying repairs that should be undertaken in the upcoming three years for the maintenance of the capital components under control of the Association (concrete and brick walls, drainage, streets, electronic gates, treadles, signage).

By **September 30** of each year Managing Agent shall obtain triennial assessments/bids for preventative maintenance of the capital components of the property including the following in the following years:

- (a) traffic control devices, electrical and signage (2009)
- (b) walls and fences (2010); and
- (c) streets and drainage (2011)

By **September 30** of each year Managing Agent shall obtain 3 landscaping maintenance bids.

By **September 30** of each year Managing Agent shall obtain 3 bids for landscaping fertilization, weed and insect control.

Managing Agent, at the direction of the board of directors, shall obtain three bids (annually), no later than **September 30** for the structural maintenance of the capital components under control of the Association (concrete and brick walls, drainage, streets, electronic gates, treadles, signage) planned for that year.

Managing Agent shall prepare a Proposed Annual Budget on or before **November 1**, (at least sixty days prior to the end of the fiscal accounting year) showing prior two years' actuals.

**60 days prior to end of the fiscal accounting year**, Managing Agent shall prepare a proposed budget showing the 2 prior years' actual budgets.

Managing Agent shall no later than **December 15** of each year, send via certified mail and regular mail, annual meeting announcements and proposed budgets and prior two years of annual expenses to all owners, and provide both ballots and proxies.



# CERTIFICATE OF LIABILITY INSURANCE

OP ID EG  
XMANAG1

DATE (MM/DD/YYYY)  
05/12/09

<b>PRODUCER</b>  Risk Planners, Inc. (CC) 340 Jesse Jewell Parkway #510 Gainesville GA 30501	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.												
<b>INSURED</b>  Management Precision Property Joe Sandifer 2927 Winterberry Dr Carrollton TX 75007	<table border="1"> <tr> <th style="width: 80%;">INSURERS AFFORDING COVERAGE</th> <th style="width: 20%;">NAIC #</th> </tr> <tr> <td>INSURER A: <b>Liberty Mutual Affinity</b></td> <td></td> </tr> <tr> <td>INSURER B:</td> <td></td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> </table>	INSURERS AFFORDING COVERAGE	NAIC #	INSURER A: <b>Liberty Mutual Affinity</b>		INSURER B:		INSURER C:		INSURER D:		INSURER E:	
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**COVERAGES**

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS	
A		<b>GENERAL LIABILITY</b>	TBCZ91420911019	04/01/09	04/01/10	EACH OCCURRENCE	\$ 1000000
		<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 300000
		<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person)	\$ 10000
						PERSONAL & ADV INJURY	\$ 1000000
						GENERAL AGGREGATE	\$ 2000000
						PRODUCTS - COMPI/OP AGG	\$ 2000000
		GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					
		<b>AUTOMOBILE LIABILITY</b>				COMBINED SINGLE LIMIT (Ea accident)	\$
		<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
		<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
		<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident)	\$
		<input type="checkbox"/> HIRED AUTOS					
		<input type="checkbox"/> NON-OWNED AUTOS					
		<b>GARAGE LIABILITY</b>				AUTO ONLY - EA ACCIDENT	\$
		<input type="checkbox"/> ANY AUTO				OTHER THAN EA ACC	\$
						AUTO ONLY: AGG	\$
		<b>EXCESS / UMBRELLA LIABILITY</b>				EACH OCCURRENCE	\$
		<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE	\$
							\$
		<input type="checkbox"/> DEDUCTIBLE					\$
		<input type="checkbox"/> RETENTION \$					\$
		<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>				WC STATU-TORY LIMITS	OTH-ER
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N				E.L. EACH ACCIDENT	\$
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	\$
						E.L. DISEASE - POLICY LIMIT	\$
		<b>OTHER</b>					

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

<b>CERTIFICATE HOLDER</b>  Beverly Oaks Homeowners Assoc Robert Bauer 580 Decker Dr #250 Irving TX 75014	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL <del>30</del> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.  AUTHORIZED REPRESENTATIVE Danette Clements
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# ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
5/12/2009

PRODUCER (972)267-8000 FAX: (972)380-2001 Insurance One Agency, L.C. 16300 Addison Road, Suite 100  Addison TX 75001  INSURED Precision Property Management 2927 Winterberry Drive  Carrollton TX 75007-5326	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
	INSURERS AFFORDING COVERAGE
	NAIC #
	INSURER A Texas Mutual Insurance 22945
	INSURER B
	INSURER C
	INSURER D
	INSURER E

**COVERAGES**  
 THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR INBRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR  <input type="checkbox"/> GEN'L. AGGREGATE LIMIT APPLIES PER <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Per occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Per accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - FA ACCIDENT \$ OTHER THAN FA ACC. \$ AUTO ONLY AGG \$
	EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE  <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	9DP-0001005367	3/25/2009	3/25/2010	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER FL EACH ACCIDENT \$ 100,000 FL DISABE - EA EMPLOYEE \$ 100,000 FL DISABE - POLICY LIMIT \$ 500,000
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

<b>CERTIFICATE HOLDER</b> (866) 384-8014 Beverly Oaks HOA Attn: Robert Bower 580 Decker Drive # 250 Irving, TX 75062	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL <u>10</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.  AUTHORIZED REPRESENTATIVE J. D. Wysong/RLS1
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## IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

## DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.